



## PHD

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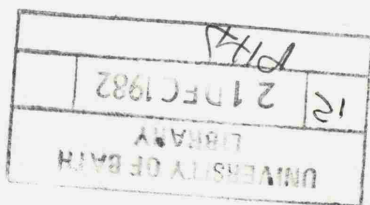
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THE ENTERPRISE AND ITS UNDERWORLD:  
A COMPARATIVE STUDY OF ORGANIZATIONAL  
ANALYSIS IN AN AUSTRALIAN AND IN AN  
ENGLISH BUILDING SOCIETY.

submitted by Roger Clive Smith  
for the degree of Ph.D.  
of the University of Bath  
1982

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*Roger Clive Smith*

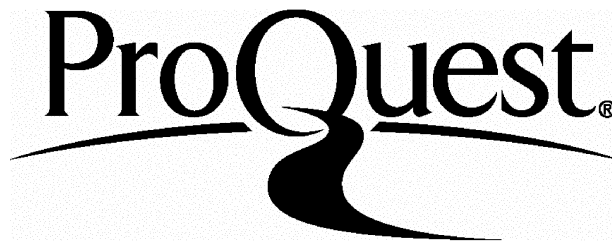
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## I N T R O D U C T I O N



A BRIEF SUMMARY OF THE STUDY, THE LOGIC OF THE THESIS  
AND THE CONCLUSIONS REACHED.

This thesis presents the background, design, implementation and results of a study into the relationship between the official, manifest system within organizations and the unofficial, underlying or underworld system which meshes with that manifest system. The vehicles for the study were two Building Societies - one in Australia, the Home Building Society and one in England, the Cheltenham and Gloucester Building Society. In addition to the operational comparisons offered by these Societies, the study also involved a consideration of the analytical process as a key element in understanding organizations and initiating change programmes.

The study covers a four year period from 1978, when work commenced in the Australian Society through 1979 and a period of orientation at the University of Bath and 1980 when research was carried out in the English Society, to 1981 when the Australian Society was revisited. In this thesis these events are described in historical order followed by an interpretation of the research into theoretical terms. Although some quantitative data was generated it was not processed completely and the methodology is essentially qualitatively based. The decision to not proceed with a comprehensive analysis of the quantitative questionnaire data was based on a major finding of the study. This was that the data reflected the manifest system expectations and differed markedly from data generated by interviews

and observation which reflected the underworld reality of the organization, i.e. questionnaire data was at best doubtful and at worst invalid. Some propositions put forward relate to underworld activity being the key to efficiency, organizations operating using at least one more level than they need, and the cultural background of researchers biasing international comparisons. Two models which attempt to marry the dialectic of the two systems studied with an analytical framework are also proposed.

A conclusion reached is that development of analytical technique for discovering the underworld should be more concerned with handling data than with generating data. The method of presenting data to clients is also noted as worthy of more attention.

Special attention is given to the difficulties of reconciling roles when a researcher is also a consultant and sometimes a specialist adviser for the same contract.

In order to help readers understand why the researcher did or did not do what is perfectly obvious to them he should or should not have done, he has included many of his feelings about the research and its effect upon him. The thesis is written in the first person for this reason.

PART 1 BACKGROUND TO THE STUDY

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CHAPTER 1. PERSONAL MOTIVATIONS AND ASSUMPTIONS

I worked in industry from 1959 to 1973 spending three of those years as a production chemist, two as a systems analyst responsible for setting up and running an EDP installation and the remainder as a personnel and training specialist.

As a line worker I was often at the receiving end of change programmes which emanated from elsewhere in the enterprise. These changes involved alterations to such things as policy, procedure, equipment and methods or attempts to change my attitudes and/or behaviour via a training course of some sort. As a trainer I became the "emanator elsewhere" who introduced the sort of changes in peoples organizational lives to which I had previously been subjected. Towards the end of my industrial career I was becoming disillusioned increasingly by the apparent lack of improvement in the success rate of change efforts in which I was involved (and the ones I was hearing about at the time). It was as if I and the Companies I worked for had not learnt from experience and proceeded to plan and implement change in the same ways with essentially the same techniques and with a blind faith in the efficiency of solutions as opposed to understanding when it came to problem solving and enterprise improvement. We seemed to have the form of change without its content (Sofer 1961). In the end I know I was doing what I was doing as a trainer without a great deal of knowledge about why, or much idea about results - but I certainly knew how! With hind sight it is perhaps easy to see that I was suffering from "hardening of the categories" as Klein (1976) describes it. She claims that any kind of resource system becomes attached to its own methods of problem solving and that this may easily contribute to the continuing existence of problems it knows how to handle.

I must admit to her descriptions of the Michigan ISR approach to Esso's improvement as "missionaries imposing their values in the guise of scientists", "technique peddlars not advocates of diagnostic openness" and "fitting reality to their model of it", giving me a comparative lesson in humility.

Since my entry into the academic and consulting arena I have had much more freedom to explore the nature of my erstwhile disillusionment and to try and find out more about the nature of enterprises and their operation. One very useful early finding was that I am not alone in having doubts about the objectives and principles of the whole area of organizational change and, in particular, about the practices of the many people engaged in the field of promoting planned change (OD consultants, change agents, social scientists and so on) and of the enterprises who use them as resources.

Strauss (1973), Wieland and Ullrich (1976), Klein (ibid), Marrow, Bowers and Seashore (1976), Levinson (1973), Bennis (1979) and Blackler and Brown (1980) are just a few of those who are concerned about the state of the art.

This thesis is, in a way, the story of the four years of my exploration and the concurrent application of my developing ideas.

There are some assumptions about my approach and work that need to be stated at this point. They are based on my experience, my research and my reading and are reflected in many of the following chapters.

Although I will be making claims later about the need for more knowledge about the enterprises we or others may wish to change this does not mean that I believe complete knowledge is attainable. I assume then that complete analysis and the construction of 'reality maps' are impossible if only because of the dynamic nature of enterprises (Newman and Rowbottom, 1968). In a situation we observe we never see that which is there to be seen in all its complexity - it is a construction and an interpretation.

Another assumption of mine concerns my perception of an enterprise as a socio-technical system which moves in space and time and that although the system can be reduced to its component parts or variables, these parts have no meaning unless related to each other and to the whole. The implications of a space/time element are that enterprises occupy a place often determined by their relationship with other enterprises in the same environment and that they have a history which has a considerable impact on their operation. A socio-technical approach assumes that structure and technology are at least as relevant to human problems in enterprises as is behavioural style, personality and group dynamics. At the same time it should be acknowledged that, because it is not possible to cover every aspect of a situation (assumption discussed above) or enterprise, the systems and holistic approaches can be illusory (Klein (1976)). No one can really see the 'whole' system but can only perceive it within a particular frame of reference. My assumption here then, is applied in knowledge of its weakness. The strength of working with this assumption is that it allows us to treat the enterprise in its own right and not just as an aggregate of individuals or groups, whilst its weakness is that such a

'gestalt' model of the enterprise lacks the conceptual precision and strength of models that cover only a few well defined variables (Berg 1979).

In regard to understanding an enterprise and its operation my assumption is that this can be achieved just as well (if not better) by a qualitatively oriented methodological approach as by a quantitatively oriented one and that analysis, re-definition and conceptualization, illuminating contradictions and so on can be more important than sheer facts or statistics generated by either method. Sofer (1961) supports this view and adds that the first hand observation of social events in the milieu and at the times when they actually occur is the key to understanding even though such methods lack the precision of statistical enquiry.

My next assumption is that there are no simple procedural answers towards solving enterprise dilemmas or moving them from an 'is' state to an 'ought' state. The message to the initiator of change or the solver of enterprise problems is, in the words of Hutton (1972, page 1)

"Analyse, confront, work through, or wait,  
or trim ones sights, or clear out. These  
things seem real, but so many management  
techniques and movements become illusions  
of new Jerusalems and soon prove to have  
as much likelihood of fulfilment."

My final assumption is that the enterprise in its relationship with its environment is, more often than not, the dependent variable. Burns and Stalker (1961), Perrow (1970) and Lawrence and Lorsch (1967) provide evidence of the importance of the environment to enterprise operation. Politics and legislation, the society and its culture, competition, location, the economy and other such environmental factors interrelate with the enterprise to form a complex set of pressures. Constraints and opportunities external to the enterprise can often have more effect on what happens inside the enterprise than the internal happenings themselves. No study of an enterprise is complete without some attention being paid to the environment of which it is a part.

As stated earlier, these assumptions are reflected in many of the later chapters where their derivation is explored and their evaluation becomes more apparent. Whether they preceded my research or came out of it is a moot point - they form a basis for much of the thesis and make knowledge of them essential to anyone reading it.



CHAPTER 2. THE THEORETICAL FIELD

My thesis title almost suggests that, rather than tackling a field, I am attempting to plough the whole farm. If one looks at all the material which has been produced on the theoretical aspects of the enterprise and its subsystems then an attempt to cover it in one Chapter of one thesis would be ludicrous. By specifying my concern with organizational analysis I have apparently narrowed the focus but even this could be an illusion given that 'analysis' can be concerned with every aspect of enterprise life. Because of the nature of the title I need to be quite specific in this chapter about the particular points that are my concern.

First I am interested in the relationship and interaction between the manifest, explicit, expressed or formal aspects of the enterprise and the less visible, often unexpressed and underlying aspects of the same enterprise. Secondly, the process of analysis - of teasing out from the complexity of organizational life the patterns of knowledge, attitude and action which aid in understanding - is, in my view, an essential element in the life and progress of an enterprise. Thirdly, comparison of enterprises is, as I see it, vital the person who is investigating the first two points if applicable theory is to be developed.

The particular field which includes these points is often called 'organizational change'. It is implied in my thesis that I consider knowledge and understanding of the relationship and interaction between the manifest and the underlying systems in different enterprises gained through an analysis of the history, structure,

technology and people in each, can shed much light on change, the change process and change methods - whether unplanned or planned. The notion that there are two social systems at work in enterprises is well supported in the literature (Argyris 1970, Newman and Rowbottom 1968, Benson 1977, Barnard 1938). One particular quote by Zweig (1965, p.159) presents a useful illustration of this notion as it touches on the idea of official and unofficial forces at work in social systems.

"The dynamics of the work community follows closely the mutual impact of two sets of contradictory forces: the trend to conservatism in structure and ideology inherent in the authoritarian forms and the constantly pressing revolutionary force of change and adaptation: most problems of industrial sociology can be viewed as a clash between these two forces."

As Heschel (1965) notes, it is a mistake to equate man's essence with his manifestations because the power and secret of his being reside as much in the unsaid and unproclaimed as in vessels he makes for his expression - as with man, so with the enterprises he creates. On the one level then, we have the officially enforced conventionally accepted and sanctioned view of the enterprise and on another level the complex network of relations linking participants to each other and to the larger social world in a multiplicity and unregulated ways (Benson 1977). I feel it is necessary to modify Benson's idea of 'unregulated ways' because, as Barnard (1938) so correctly states, many of the underlying

relationships generated within formal systems become governed by the social regulators, custom, norm, legend, myth and ritual. It also seems necessary to assert that, whilst the word level is useful for explanatory purposes, its connotation of 'upper' and 'lower' is too simplistic to explain the reality. The manifest organization does not exist as a separate entity over the underlying organization - they merge, mesh, separate and recombine in a dynamic, ongoing juxtaposition of relationships and forces that is the actual enterprise. Both, in other words, occupy the same space/time framework. In Tichy and Fombrun's analysis of organizational settings (1979) only a portion of the social structure is prescribed and unplanned structures and behaviour patterns will always emerge. They claim that these emergent structures and behaviour patterns have been misleadingly labelled "the informal organization" and are never treated conceptually and empirically together with the formal structure. Their argument is that they should be treated together, as each emergent structure and prescribed structure has its own social and functional logic - each is amenable to similar systematic analysis.

In my thesis title and on many occasions from now on I use the word 'underworld' to describe the particular underlying aspects of an enterprise which interest me. Whilst official-unofficial, covert-overt, manifest-underlying and formal-informal are ways of expressing the two level system which exists in all enterprises my underworld relates more to that which people in enterprises think that senior management ought not to know or that which is not explicitly recognised by senior management. There is no

simple definition of the term because it is contextual but as this thesis proceeds and the context becomes clearer then my 'underworld' concept should also take a much clearer form. The underworld is not a system with criminal intent but its nature is such that its activities and sentiments are not quite as seemly as those officially sanctioned by the authority sources in the enterprise. What exists is akin to an 'as if' world where a type of collusion occurs to ensure that the officially sanctioned system, though often not used, is not threatened by what actually happens.

Tichy and Fombrun's (ibid) emergent system is very similar to my underworld concept and thus provides some support to my idea of what it is. However, it is one thing to recognise that these types of social structure exist within the enterprise and to accept that they can have differing objectives, structures, technologies, values, beliefs and attitudes (Smith 1980) - it is another to be able to describe and understand them and to determine their impact upon one another in producing individual, group and enterprise performance. That is, to be able to analyse them. If some conduct is prescribed by authority and much is not and the two systems intersect, the empirical question becomes what is the function and what is the importance of each.

Typically, attempts to analyse, describe and understand enterprises have concentrated upon their manifest aspects (Pugh, Hickson, Hinings and Turner, 1969, Perrow 1970, Child 1977, Woodward 1965) or upon the underlying aspects as represented

by a small number of elements such as morale, climate and satisfaction or by the informal network of people relationships (Payne, Fineman and Wall 1976, Shapira and Zevulum 1977, Goodman 1968, Rice and Mitchell 1973). The research, published in many journals, relating to the relationship between the manifest and underlying organization seems to be narrowly confined to two or three organizational variables and to be aimed at producing operational definitions of a prescriptive nature (O'Connor and Farrow 1979, Schneider and Alderfer 1973, Fineman 1975, Macy and Mirvis 1976). Whilst I am not denying the usefulness of such research in progressing our knowledge about what enterprises are, its extent and apparent conviction should not blind us to the fact that we really do not know a great deal yet about how they work (Westlund and Sjostrand 1979). The multifaceted approaches of Marrow, Seashore and Bowers (1967), Lawrence and Lorsch (1967), Jaques (1951), Sofer (1961), Emery and Thorsrud (1976), Bennett (1978), and Berg (1979) seem to me to provide a better understanding of how enterprises work and how they change or are changed because they accept the total enterprise as the research focus. In Scheins' words (1979, page 3),

"..... the organization is a complex social system which must be studied as a total system if individual behaviour within it is to be truly understood."

Unfortunately, the results of such total approaches provide us with a daunting picture of how far we have yet to go if we accept the need for an holistic methodology for use in enterprise analysis.

The descriptions and understanding emanating from the above researchers have been based on analysis of one kind or another. Such analysis involves the division of the enterprise into its constituent parts prior to the examination of their meaning and their relationship to each other and (sometimes) to the whole. How the researcher divides the enterprise and which parts he chooses to examine will place his study into one of six classifications (Smith 1980):

1. Manifest multi-element
2. Underlying multi-element
3. Manifest dual-element
4. Underlying dual-element
5. Manifest/Underlying dual-element
6. Manifest/Underlying multi-element

Although a great deal of change in enterprise is not formally sponsored but occurs of its own accord (Westlund and Sjostrand 1979), that which is planned includes the process of analysis as an early step (Kelly 1974). We must as it were attempt to come to terms with what is before defining what should be and moving the enterprise from the former to the latter position if that is deemed desirable. Problems occur however, when a narrow view is taken of analysis (as in classifications 1 - 5 above), i.e. when analysis is confined to only one or two of the elements or constituent parts (or variables) and takes a strictly behavioural or structural or technological or managerial perspective. Variables

or elements mapped in isolation or in paired relationships can provide useful information as a guide to understanding some aspects of individual or group performance. However if major change programmes are based on such information only, they often fail because the interrelatedness of all elements in the total system and its environment has not been accounted for. Actions of one sort in one area have implications for the actions being taken in many other areas. Unless one has as good a total enterprise map as possible it is difficult to be aware of the broader implications of local change or conversely, of the local implications of broad change. It follows that we must reject simple models of a mechanistic kind for analytical purposes and accept that any approach to analysis with planned enterprise change in mind should be a manifest/underlying multi-element analysis (6 in the classification given).

Despite the assertion for a total approach to analysis if change is to be effective the warning note sounded in Chapter 1 needs to be elaborated. It is important to recognise that the idea of a complete analysis of an enterprise and of the construction of a 'reality map' is a myth. Homans notes this in his classic book on human groups (1951, page 259):

".....the full analysis of a system of inter-personal relationships carried out in ordinary literary language is apt to become unmanageable."

Newman and Rowbottom (1968) make the point that, because of the

continuous interaction between people and the system in which they work and because we can never study the whole at one time but must proceed from an understanding of the enterprise to an understanding of its people (or vice versa), then it is impossible to maintain a completely satisfactory and logical development of an analysis. It has been stated quite emphatically by John Gall (1975) that complex systems are beyond human capability to evaluate, a notion codified in his "know nothing theorem". We are also warned by Diesing (1972) that the holist idea of studying all aspects of a particular human whole is unattainable and by Chein (1972) that the major problem in analysis is that we are mapping other peoples maps and this makes agreements on 'reality' difficult to reach.

An associated problem with analysis occurs when it is not followed by synthesis, i.e. when the parts are not put together again in a more meaningful way to give a more understandable picture of the enterprise - a theory of why it is what it is as it were. That such a problem exists is noted by Klein (1976) and she insists that the essence of a social science approach to change is in analysis and synthesis of the situation.

In spite of the fact that these problems exist, the case for as thorough an analysis as possible prior to changing a situation (or understanding it) remains strong. Burns and Stalker (1961) go as far as saying that all views on organizations have one thing in common - that they are analysable. And as for research,



hard fact, and reality Ford (1975) claims that you cannot write a theory without including unmeasurables, make believe and hypothetical notions.

I accept that my research is aimed at helping me to understand human behaviour (albeit in a particular context) and that comparative studies are the key to such understanding (Zweig 1965). It is by looking at the similarities and differences between different or similar enterprises in different or similar environments that we can develop most usefully a theory of organizations and the behaviour of people in them. No such theory can rest on the assumption that everything is unique, nor yet that universality can be assumed. What is required is a focus on the patterned variations that emerge from comparative analysis. Thompson (1967), Etzioni (1961), Tannenbaum, Kaucic, Rosner, Vianella and Weiser (1974), Sofer (1961) and Lawrence and Lorsch (1967) provide good examples of the many comparative approaches that have been taken to the development of organizational theory. I would suggest further that comparison is a constant function in research whether or not it is undertaken in the forms illustrated above. Researchers are actively involved in comparisons of methods, of past and present results, of their work with that of others, of data generated from different sources and so on. The search for meaning and sense and consistency and predictability could not proceed without the process of comparison. Comparison is a generic aspect of human thought rather than a special method (Oscar Lewis in Warwick and Osherson 1972). C. Wright Mills (1959) considers that the study of one object is the most difficult and that comparison and contrast is a definite aid to understanding.

It is interesting to note that one of the early advocates of enterprise comparisons as an aid to understanding their operation (Harry Hopf, circa 1935) became convinced as a result of his studies that the organization structure of business enterprise generally reflects the forces of personality and power rather than the logic and strength of the proper structural relationships (in Merrill, 1960). A more recent attempt to discuss these differing levels of perception and relate them to organizational analysis and change is put forward by Newman and Rowbottom (1968) who have been closely involved with the Glacier Metal Company project (Jaques (1951). They described four situations or levels of perception in the organization as follows:

- \* Manifest situation - that formally described, codified or displayed.
- \* Assumed situation - that variously assumed by individuals (this parallels my underlying level).
- \* Extant situation - that revealed by systematic exploration and analysis.
- \* Requisite situation - that required if needs are to be met and to be arrived at by change.

It is how to arrive at a perception of the extant situation which is the major concern of my research. Analysis of both the internal type and of the comparative type (Lipset, Troy and Coleman in Denzin 1970) forms the basis of that research.

CHAPTER 3. THE AUSTRALIAN SOCIETY

During the first three years of my employment as an academic at The Western Australian Institute of Technology I had been involved in a number of external assignments involving training either under the auspices of WAIT-AID Ltd., the Institute's Consulting enterprise, or on my own initiative. I had, on a number of occasions, attempted to establish a sounder base for such training by gaining entry to the sponsoring enterprises to conduct my own needs analysis rather than rely on the enterprise's assessment of what was required. These attempts were initiated by the feelings towards change programmes I had developed and which are described early in Chapter 1. My requests were either ignored or were brushed aside with remarks such as, "if we didn't know what we wanted we wouldn't have asked for you" and "if you don't want to do it we'll try elsewhere". Of course economic considerations and my inclination (at that time) to believe that any learning of any sort has got to be good overcame any ethical stand I could have made.

It was not until November 1977 that my approach was accepted by an enterprise in lieu of the more specific and directed solution oriented action requested by them. WAIT-AID Ltd. had been contacted by the Home Building Society in regard to assisting them to strengthen their personnel and training function. They had grown rapidly since 1970, and, whilst they did have a Personnel Officer and a part-time trainer of cashiers, they perceived a need to either hire a Personnel Controller (their title) or begin with outside advisory help prior to making a firmer commitment to the post. It was agreed that I should contact the top executive team at the Society to discuss the

request. It was at this meeting that I persuaded them to accept a proposal for me to spend some 50 hours over an eight-week period with them to look at their enterprise, its operation, people and organization, with a view to reporting on what I saw and recommending future action. I do not think it was my persuasive powers that turned the tide but the fact that they had rather hazy ideas of what they wanted and my proposal had the merit of at least being a clear direction in which to begin. Although titled a 'personnel investigation', at the outset I stressed that other areas could surface as a result of the initial study and this did not seem to alarm my joint clients, the General Manager and the Assistant General Manager. The actual letter proposing the contract (which was accepted) is shown in Appendix 3-1. It provided for a four-stage project beginning with an analysis stage and also included an "opt out" clause if either side became dissatisfied with progress. The remainder of this chapter is concerned with the history and operation of the Society, the analysis results and recommendations, the implementation of recommendations (they were accepted) and conclusions reached at the end of the project.

#### History, Structure, Context and Operation

Home Building Society (H.B.S.) began operations in 1946 in Fremantle, Western Australia, when ten people each contributed £500 towards its formation. It was a relative newcomer to the building society industry in Western Australia as its competitor in

Fremantle (City Building Society) was established in 1875 and the biggest Society in the State (Perth Building Society) began in 1862. After ten years in Fremantle Home Building Society decided to move to Perth and the assets of the Society at that time (1965) amounted to £143,390. Four years later they amounted to £1,000,000.

The introduction to Australia in 1965 of mortgage insurance meant that Societies could lend in larger amounts up to 90% of the valuation of the property, and so relieved home buyers of the need to obtain costly second mortgages. This gave a tremendous boost to Society operations and, in the intervening thirteen years to 1978, the assets of Home Building Society rose to \$154,000,000 (£77,000,000 in pre-decimalization currency) and staff numbers lifted to 160.

There were, at this time 153 Building Societies in Australia with Victoria having the greatest number (53) and Tasmania the fewest (5). Western Australia had ten Societies and Home Building Society ranked third in size in the State and thirteenth in size in Australia. The largest Society in Australia (New South Wales Building Society) had assets of just over \$6000,000,000 and the largest Western Australian Society (Perth Building Society) had assets of \$535,000,000. All Building Society assets then totalled \$7,5000,000,000 which in financial institution order placed them fourth after Banks \$50,000,000,000, Finance Companies \$16,000,000,000 and Life Insurance Companies \$12,000,000,000 (Archer 1981). Therefore H.B.S. had 2.1% of the total market available to Building Societies.

Two organizations exist for building society co-operation, unity and general fund flow stimulation - the Australian Association of Permanent Building Societies Inc. and the Australian Council of Co-operative Building and Housing Societies. The Building Societies Institute is the professional body concerned with education, training and development at all levels of staff and management of building societies.

Home Building Society is a permanent building society registered in Western Australia under the Building Societies Act 1976-78. Its principal business is to provide home loans and the funds to do this come primarily from household savings. All Societies in Western Australia are subject to regular inspection by officers of the Registrar of Building Societies and specific operating requirements including limits on certain types of loan, a minimum level of cash and readily available funds and a required level of profitability (in form of reserves) are included in the provisions of the Act.

In May 1972 the Home Building Society opened a fully staffed office in Darwin. This was set up to function as a legally distinct but operationally linked organization registered as Home Building Society NT (Northern Territory) with the same Board as Home Building Society and managed by an H.B.S. appointee.

The Society conducted its business from an Administration Centre in Perth and had a network of eighteen Branches (mainly metropolitan) and seventy two Regional Offices or Agencies (throughout Western Australia) providing customer

service. An EDP centre was situated in another part of the city as was the printing and supplies centre.

Appendix 3-2 shows the organization of the functions and management of the Society early in 1978. There had been a major re-organization just prior to my entry and its main emphasis had centred around moving up the then Loans Controller (D. Timms) to the position of Administration Manager and grouping loans, administration (printing, supplies, property and office services), valuation and personnel under his control. Most major policy and operational decisions were the concern of an executive committee (which included Messrs. Dolin, King, Nelson, Timms and Davidson) that met each week. Other Managers and Controllers did not meet on a regular basis. The Marketing Planning and Development position was causing concern at this time because the internal contender (Nelson) was not preferred by the General Manager but did have sufficient Board support for his continuance as leader of the marketing function.

There had been an extensive EDP influence in the Society since 1972 and, as well as handling most routine savings, investments, loans and accounting records, the department provided an on-line service to nearly all Branches.

Little training was carried out beyond cashier training and a fairly informal Branch Supervisor training programme held as required. Just prior to my entry all the managers had

attended a Dale Carnegie Management Course held off the premises - it had a mixed reception and attempts were made subsequently to implement the "results oriented" approach advocated.

A Branch Bulletin was used to cut down the number of memos to Branches but no other formal written communication of a general nature existed. There was a staff handbook which outlined conditions of service, hours of work, conduct and dress, amenities, staff retirement fund, staff loans and so on. A flexitime system operated at the Administration Centre for all but the Marketing Department. The Centre itself occupied a three-story building which showed signs of wear and tear and was less than adequate to cope with the demands placed on it - there were plans to re-build and enlarge the premises beginning in late 1979.

Although this section provides only a brief sketch of H.B.S. it should give a sufficient picture of the venue in which the consultancy took place to improve understanding of the following sections. Many other operating details will become apparent as these sections are considered.

#### Analysis Results

The stage 1 analysis phase commenced on 1 March 1978 and the final report on this stage was submitted on 5 May 1978. I had decided that my analysis would utilise three methods, as follows:



- . a semi-structured interview using a set questionnaire
- . an 'attitude' or 'opinion' survey
- . examination of personnel records and forms, operational reports and associated written material.

I had used a similar set questionnaire (self-designed) as the basis of a short study a year earlier and had found it useful. The survey also had its origins in earlier work but had not been used before. It was based rather loosely on Likert's profile of organizational characteristics questionnaire (Likert 1967) but had some additional variables - equipment, methods and procedures, people management and unions for example. An eleven-point scale (thus there was a neutral point) was used and two ratings were requested on each scale - a what is and a what you would like. Likert had used a Form A and a Form B to obtain these two ratings but my preference was for their incorporation into one form. Each variable was described and simple statements at the extremes of each scale gave further meaning to them. Because each respondent named their Department on the form and the survey was answered during group sessions (following an explanatory seminar) it was possible to obtain grouped responses by Department and by hierarchical level as well as the composite total - a useful tool for analytical purposes. Every member of the Society completed the survey form. No frequency distributions were calculated and the means only were recorded (not weighted). The interview comments were all collated on a master sheet using the headings which ultimately formed the basis of the report, i.e.

- . Objectives, Structure and Jobs
- . Communication
- . Recruitment and Selection
- . Training and Development
- . Assessment and Rewards
- . Job Satisfaction and Conditions

Thirty-six interviews were conducted and included all managers and supervisors at the Administration Centre, the EDP department, some Branch Managers and a number of clerical and technical staff at the Administration Centre, Branches, and the EDP department. Personnel records yielded information on structure, training, turnover, salaries, induction procedures, history, and so on. Appendix 3-3 shows a copy of the written part of the report plus copies of the survey form and the interview questionnaire along with a copy of the profile of combined responses (one of the eight compiled) and a copy of the implementation schedule recommended. The full report (Smith 1978) contains much more detail on the actual data collected.

#### Implementation of Recommendations

The schedule of activities shown in appendix 3-3 was followed in more or less the order and timing indicated. Two important events occurred early in the implementation period but are not shown in the schedule. One was the running of a problem solving residential weekend workshop for all managers

and controllers (on the topic of communication) and the other was the appointment of a full-time Training Officer. I was actively involved in both these events. My involvement in the setting of goals and objectives was minimal (except in the personnel and training function) and this activity became tangled up in the aftermath of the Dale Carnegie Course (mentioned earlier) and thus somewhat confused in many people's minds. The major organizational change suggested did not occur although some minor re-titling and task re-distribution was carried out. One recommendation that was carried out in this area was the formation of Departmental management committees with regular meetings programmed and minutes circulated to all Departments. After a time the Marketing Department formal meetings ceased to follow the pattern set by other Departments and were held rarely. Job analysis, salary review, revision of personnel forms and records, feedback sessions and cashier and branch supervisor training were all dealt with as scheduled. Performance appraisal reached the stage of having a pilot run in the EDP Department followed by a revision and then a presentation to managers of the system to be installed (along with training required). The programme was ready to begin when I left for the U.K. Manager Development had not got past the stage of a discussion document and some suggestions for action in 1980 based on the expectation that the progress review and action programme would identify individual and/or group needs.

Appendices 3-4, 3-5, 3-6 are three reports I made to the client during 1978-79 and provide more detail on the items discussed

above. During this period I had excellent co-operation from the Personnel Officer and the Training Officer and, indeed, all staff who were called upon to contribute in one way or another to the project.

### Conclusions of the Project

My final report to the Society on 18 September 1979 contained my personal view of the past year, the results of the survey conducted in August 1979 (using the same form as the year before) and my thoughts on how the change programme should proceed during my absence in 1980. This report can be seen in appendix 3-7 (answers to survey open questions are not included and only the profile of combined responses is shown). The survey results were not received happily by the executive group - particularly the Assistant General Manager. He was concerned that communication should still be a problem and that in other areas it did not seem that much progress was being made. The General Manager was less concerned and accepted that such changes took time. It was at this stage that I began, rather belatedly, to really think about the programme and its progress in terms of why is it so rather than what is happening and what do we do next. As my report states, I was troubled by the way they had used (or not used) my services, the fact that we had never faced many issues squarely and that communication remained a problem despite its recognition as a problem and the efforts made to improve the situation. Could it be that I had been too concerned with the expressed/manifest organization and operation to the detriment of the underworld system and its politics and relationships? It seemed that we were actively doing things but

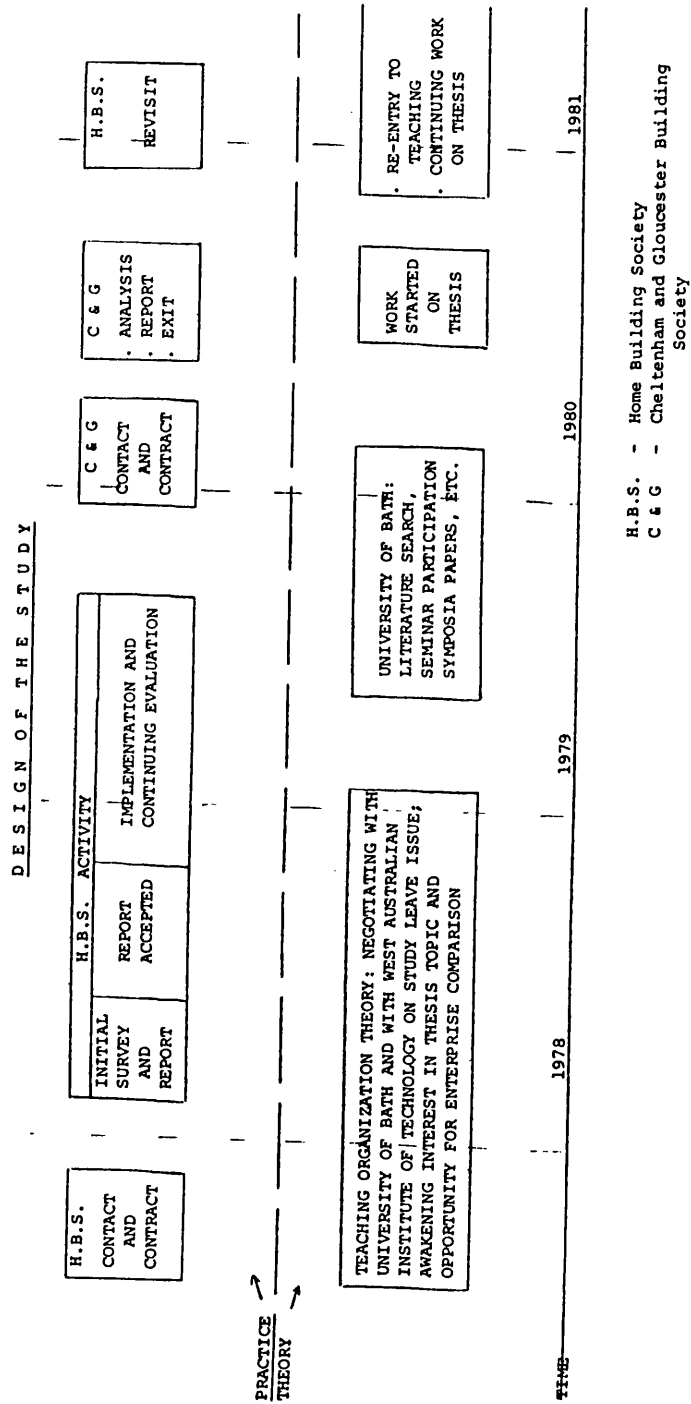
not achieving a great deal, particularly where it mattered. I saw the myth developing that because a problem is recognised and acknowledged it will therefore be solved without further executive action.

It was with these feelings that I left the Society and WAIT on 28 September 1979 for study leave in the U.K. I had already determined that my research interest would be in the area of organizational change with the emphasis on analysis and the inter-relations between what I thought of then as the formal and the informal organizational systems, and that, if possible, I would work in a U.K. Building Society to give a comparative dimension to the research. The General Manager had, at my request, written to four Societies in the West of England to introduce me and my interest. My contact of them and subsequent choice of site was left to my own initiative. In the final report I had also requested a "re-entry permit" to the Society and this had been agreed.

#### CHAPTER 4: METHODOLOGICAL CONSIDERATIONS AND RESEARCH DESIGN

In a sense there are two time spans involved in the methodology and in the research design which is outlined in Figure 1 (over page). There is the pre 1979 era of confused directions, felt ambiguities, theoretical searching and intuitive attempts at analysis - a sort of unsystematic and unfocussed approach to an unknown though not unfamiliar area. This is followed by a more focussed, better planned and more theoretically sound approach founded upon guidance provided during my study at Bath University. This is not to say that focus, planning and sound theory eliminated ambiguity, doubt, uncertainty and confusion. What occurred, I think, is that I became a little clearer on the issues which evoke such feelings and perhaps better equipped to find a way out. In looking back at these two periods I am struck by a paradox - the key report coming out of the study at the Australian Society was much more certain, dogmatic and directive than that which ended the study of the English Society even allowing for the differing natures of the entry contracts to each. When one is unsure does a facade of knowledge preserve one's integrity and fulfil the expectations of the sponsoring group? I am sure Goffman (1959) would have the answer to this question.

Looking at Figure 1 could lead to an assumption that the whole exercise was carefully thought out and put into action as pre-designed. Nothing could be further from the truth and the evolution of the thoughts and activities over the four year period mirror the dynamic nature of the specific work carried out.

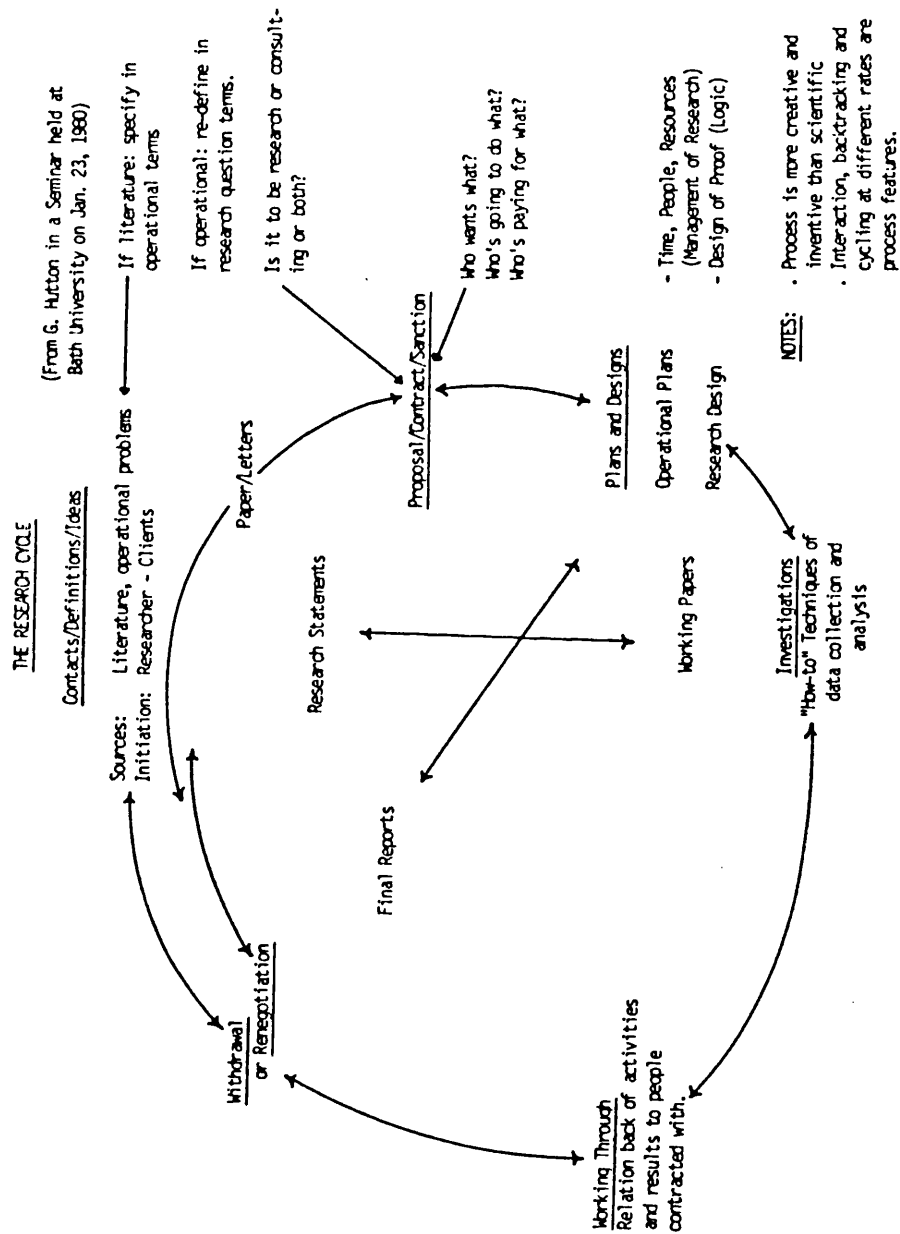


It was a marrying of many factors that led to my participation in Bath's post graduate programme, for example - my interest in organizational change, my projects in industry, my qualification for study leave and my friendship with a colleague who had just completed the programme, being just a few. The Home Building Society contract was not envisaged as a research project early in its life but the material gathered was seen later to be useful as a base for a comparative study. In the same way the English study (carried out with the Cheltenham and Gloucester Building Society) was accompanied by changes in direction, by backtracking and by utilizing various data collection methods before it was concluded. Even so, it did follow the research cycle suggested in Figure 2 (over page) which outlines the inter-relation between theory and practice and the dynamic interactive nature of the process itself.

My research then, could certainly not be pictured as methodical, consistent, controlled and proceduralized but was more as Shipman (1972) suggests, a picture of frustration, joy, inspiration, perspiration, insight, false starts and premature finishes. This view of research, which I now share having experienced it directly, is also that expressed by Phillips (1973) who debunks the dogmatism of method as often giving the appearance of solidity to pure wind.

The style of research I used (unconsciously in Australia but consciously in England) could be variously described as 'the case study approach', 'participant observation' or 'qualitative observation and interviewing' as described by Lofland (1971).





In his words (ibid, page 7):

"... the qualitative analyst seeks to provide an explicit rendering of the structure, order and patterns found amongst a set of participants."

This is similar to Argyris' (1971) wideband, process-oriented, qualitative historical approach. The payoff of in situ observation as far as Argyris is concerned is that it generates insights, defines dimensions and identifies possible inter-relationships among multi-level activities. He warns though, that whilst such wide-band methods do transmit more and richer information, the information is frequently less clear and less dependable than that generated by the more focussed, narrowband, quantitative, algorithmic methods. Diesing's (1972) account of the patterns of discovery in the social sciences also provides excellent insights into the participant observer methodology. He looks upon the primary subject matter of this approach as being a single self-maintaining social system and that the loosely systematic procedure of enquiry that accompanies it (heuristic in nature) gives good results eventually and on the whole but does not guarantee them in any particular case and certainly cannot promise 'optimum' results. The participant observer studies the system from inside but often finds that the data generated by the study leads to the subject controlling him rather than vice versa. This of course runs counter to the fundamental tenet of statistical survey and experimental methods - control of subject, technique and situation by the researcher.

One has to be fairly conscious that talking about ones "methodology" does not place one in the category of a quantitative researcher. Blumer (1969) in fact makes the point (still relevant today if articles in the journal 'Organizational Behaviour and Human Performance' can be taken as indicators) that 'methodology' in social sciences is regarded with depressing frequency as synonymous with the study of advanced quantitative procedures and that the 'methodologist' is one who is well versed in knowledge and use of such operational procedures. A look through the content of books by McCormick and Francis (1958), Blalock and Blalock (1968) and Fairweather and Tornatzky (1977) reinforces the point. Blumer is not alone in attacking the quantitative stance and Richard Hill (in Denzin 1970) quotes Ciceroul, Glaser and Strauss, Rosenthal and Friedman as presenters of qualitative alternatives. It is Blumer though who seems to me to present the most cogent argument for naturalistic enquiry (as he calls the qualitative style) in the form of exploration and inspection as opposed to the formalised type of enquiry so vigorously espoused in standard methodology. Of course, the non standard approach does not escape unscathed. Borgatta (1969) in the prologue to the book on Sociological Method of which he is the editor, attacks the fads and fancies of methodology not mathematically based and borrowed from fields other than sociology. They are only as good, he says, as the scientific intuition and imagination of the researcher using them - an indictment which has a good degree of truth but which could also be directed at standard methodology in my view. The extent and nature of the argument outlined above is indicated by the journal article titles listed below:

- \* The Madness in Our Methods: A three Author Exchange in Four Parts (Phillips, Costner and Fennessy, 1974).
- \* The Two Sociologies (Dawe 1970)
- \* How Many Sociologies (Benton 1978)
- \* "Situation" versus "Frame": The "Interactionist" and the "Structuralist" Analyses of Everyday Life (Gonos, 1977).

Colin Fletcher (1974) adds another dimension to the argument by advocating social criticism (critical writing) as a sound method of sociological research. The most balanced article I found comparing the characteristics of qualitative and quantitative research was by Spencer and Dale (1979) but even they had a preference (for the qualitative method.) The argument boils down in my view to what is the best way to analyse and present data rather than how to gather the data although it has tended to spread into the area of argument between standard data collection tools and the newer ones of grounded theory and phenomenology (Mehan and Wood 1975, Phillips 1973).

Denzin (1970) in his introduction states that it is the empirical world which sets the tone, shapes the theories and indicates the uses made of research methods. The empirical world I wanted to study and explain would not, I felt, yield to quantitative methods so my choice was for qualitative methods, and, in particular, a form of participant observation. Although I believe that either approach can be useful provided they are used with a knowledge of their strengths and weaknesses in providing knowledge of reality and that integration of results is necessary for progressing our knowledge of the social milieu, the individual researcher faces the choice I had to make. Is he or she to focus energy, expertise

and skill accumulation on one side or the other? The tremendous scope of both approaches necessitates a degree of specialism in one or the other and I believe that the eclectic researcher sacrifices depth and discovery for the sake of satisfying contingent demands which want him to be master of all methods. In my case, even though I used questionnaires of the survey type and treated the results using basic mathematics I would hardly be called a quantitative researcher. The distinction between the two methods is not razor sharp anyway and each interpenetrates the other - for a little way at least.

Because of my choice the outcome must be judged in knowledge of the characteristics and the limitations of that approach. Its characteristics are: treatment of social systems as holistic in nature; heuristic procedures of enquiry; active, direct and frequently emotive interaction between the system, system participants and researcher; a close evolving relationship between data and theory in the search for patterns. The limitations relate to the problems posed by these characteristics: the holist idea of studying all aspects of a particular human whole is unattainable; heuristics lack the positivism of algorithms; observer bias (do we see and create what we expect) and response bias as described by Phillips, 1972 (evaluation apprehension, social approval, modelling and expectancy); the difficulty of reconciling the need for theoretical assumptions prior to research with the need to let theory evolve from data.

My main justification for use of the methodology is similar to Diesings (1972). Whilst formalists get their kicks with clear orderly models and experimentalists and survey researchers are rewarded by encounters with statistical regularity, the experience I get from participant observation in a social system may be described as a sense of communication with something alive, vivid and fulfilling. I must also admit to a sneaking sympathy with Winnicott (1974, page 167) who states angrily:

".... this is where those who have spent their lives doing psychoanalysis must scream out for sanity against the insane belief in surface phenomena that characterises computerized investigations of human beings."

PART 2: THE ENGLISH STUDY - FIELD AND METHODS

CHAPTER 5: CHOOSING THE SOCIETY - THE CONTRACT

I knew that my study at the University of Bath would necessitate a period devoted to field work and, as noted in Chapter 3, I had introductions to four Building Societies in the West of England. One of these Societies, I hoped, would provide a venue for the comparative research I had in mind. Early in my stay at Bath I arranged to visit the Chief Executive of each of the Societies concerned, these being the Chelsea, the Bristol and West, the Principality and the Cheltenham and Gloucester.

The most encouraging reception was experienced with the Cheltenham and Gloucester and my feeling was that it would be suitable as a site for my work. In addition they were encouraging in regard to my undertaking a consulting role with them and the payment for this was attractive given the financial pressure a year on study leave had placed on me. I think the timing was opportune for them as they had been considering ways and means of investigating their organization and its operation and saw my advent as a chance to get this done objectively and cheaply! The fact that I would be leaving England at the conclusion of the exercise and would thus be relatively inaccessible to competitors also appealed to them. The Managing Director wrote to me confirming his intent thus:



26 November 1979

Dear Mr. Smith,

Thank you for your letter from which I am delighted to learn that you found your visit to our office of interest. We were very pleased indeed to have the opportunity of making your acquaintance.

I note that you would like to have further discussions with us when your research plans have been made and I confirm that I shall be very happy indeed to arrange for such a meeting upon hearing from you.

Yours sincerely,

(signed)

R.C. Stow

Managing Director

My early negotiations in regard to drawing up a contract were with the Personnel and Training Controller (I. Davies) and the Deputy General Manager (A. Longhurst). It was agreed that my consulting focus for their interest would be the state of management/staff relations (to include the issues of morale and job satisfaction). I explained that my research interest at that time (the operation of the understructure of the Society and the relationship between it and the formal structure) would integrate easily with their interest. The letter setting up the contractual meeting is shown below, followed by my letter to the Deputy General Manager showing my interpretation of that meeting and the terms in which I saw the relationship proceeding.

3 December 1979

Dear Roger,

Further to our telephone conversation I now write to confirm the arrangements for your meeting with Mr. A.H. Longhurst on the 18 December at 10.00 a.m.

As you know we have discussed the possible subjects for your project and the topic which seems to be the most suitable is the relationship between Management/Staff. This can however be developed further when you come to Cheltenham later this month.

Finally it is probably helpful for you to know that the Society would not generally expect to pay the normal consultancy fee for this project but it would be prepared to assist with your expenses in carrying it out.

I look forward to seeing you again soon.

Yours sincerely,

(signed)

I.R. Davies

Personnel Controller

PRS/IRS/372/CC/9257

28 December 1979

Dear Mr. Longhurst,

It was kind of you on behalf of the C & G Building Society to receive me and discuss my research request. As we agreed your area of interest, the relations between management and staff, could easily provide me with a focus for following my research interest, namely, the operation of the understructure of the organization and its relationship with the formal and more overt aspects of the enterprise. I feel that what you would like me to investigate forms a necessary part of the broader aspects of what I would like to do. I have no specific methodology designed as yet, but would envisage that in depth interviews with staff from all levels would be a major part of the exercise. My final report and the interim reports to you would be on the basis of accumulated and grouped evidence so that individual confidentiality would not be breached.

My estimate of the length of time required for the work is 3 - 4 months, i.e. 60 - 80 working days. Rather than taking this time as a unit it would be necessary to fit in other University and personal commitments so that I see the period March-April to August-September 1980 being the term of our mutual involvement.

I agree with you that the work does not attract the normal consultancy fee but would suggest that £30 per day as a cover for my expenses and reports on your operation would be satisfactory. Given my estimate of 60 - 80 days this would give a cost to you of the work of between £1,800 and £2,400 which is just a little

more than my rough guess when we met. I would of course be responsible for taxation payment.

As we also discussed my supervisor Geoffrey Hutton would need to talk to you about the nature of the research and the degree requirements. He would like this to happen towards the end of February if we reach agreement at this stage.

I hope to let you know early in February whether or not I can take on your very kind offer of assistance but hope the afore-said gives you an indication of the form and nature of my needs.

Of course I realise that you may not agree to meet these needs given the tentativeness of our talks to date.

I would be pleased to hear from you soon and once again thank you for your hospitality and friendly reception.

Yours sincerely,

(signed)

Roger C. Smith

When the Managing Director saw my letter he immediately issued one of his notorious "green" letters (green paper signifying a major error) to the Deputy General Manager. We had never agreed (he said) that management/staff relations was to be the topic studied and communication and its effectiveness was the issue as far as he was concerned. He had, he said, stated

explicitly that he did not want the industrial relations pot stirred and as he reputedly puts industrial relations and management/staff relations in the same category, his ire can be understood. However, to my knowledge, he and I at our first meeting did not discuss a possible topic area. No doubt he had discussed it with the others concerned.

The resultant confusion meant that I visited the Society again and re-wrote the contract letter after further discussions with the Deputy General Manager. Despite the change in perspective the Deputy General Manager stated that, whilst the Managing Director might be interested in whether or not "the message was reaching the troops" he was still concerned with his original issue - management/staff relations. The revised contractual letter read as follows:

5 February 1980

Dear Mr. Longhurst,

As you requested I am putting forward another proposal to incorporate Mr. Stow's views on the area to be covered by my project/research. I can well understand his concern and fears and agree that clarification of topic and terms of reference is necessary if we are to proceed. What follows is a point by point proposal which is as specific as I can get it at this time, given the evolutionary nature of such organizational research.

Contractual letter continued; -

#### AREA OF INVESTIGATION

##### For Society Interest:

The Society's information flow network and, in particular, the communication of objectives and policy from executive level to operative level.

##### For Research Interest:

The interrelation and interaction between the explicit, formal operational system and the implicit, underlying operational system.

#### PURPOSE

##### For Society Interest:

To determine the general effectiveness of information transfer between levels and between Departments of the Society with a specific reference to downward communication.

##### For Research Interest:

To examine the 'fit' between the formal system and the underlying system and to determine the extent to which they affect each other in producing the activity which actually occurs.

#### DATA AND METHODOLOGY

The methods used will be such as to gather the following data:

- An historical account of the Society's growth and accompanying structural and procedural changes,

Contractual letter continued:

particularly over the past ten years.

- The stated objectives and policies related to the present day operation.
- The structure, technology and associated work flows set up to achieve objectives.
- Individual and group perceptions of actual roles and channels of communication and their effectiveness.
- Indicators of performance (such as turnover, productivity, morale etc.) which can be used to judge the outcomes of the interaction between the system and its people.

I would see relevant methods to gather the above as:

- Examination of written records, policy statements, procedure manuals, memos, magazines and reports.
- Individual informal interviews with all executive and management staff and with a representative sample of all other staff.
- Attendance at as many meetings of staff as possible, particularly those meetings which are formally constituted and held on a regular basis.

#### REPORTS

I will keep you informed of progress via a fortnightly report of activities and findings. A major final report on your area of interest will be presented at the end of the project.

Contractual letter continued:

TIMING AND COST

As outlined in my letter of 2 January 1980. One other request I would make is in regard to announcing the project to staff. In addition to whatever information you give, I would like the opportunity of introducing myself and my work to all staff via your Spotlight bulletin.

I hope that this information is sufficient for yourself and Mr. Stow to make a decision on the project. If you decide to go ahead, the continuation of my work would be at your discretion, i.e. you could cancel the agreement at any time if I was not providing the material requested or if it was having detrimental effects for the Society's operation or its staff.

There is no doubt in my mind that understanding of the Society will increase as a result of this investigation by a 'detached' observer - even if this understanding involves uncovering some perceptions and attitudes and malfunctions of which the executive may not be aware (as can happen).

From a personal point of view, my research interest can be well met by the project and I would be very happy to work with the Society if allowed.

Yours faithfully

(signed)

R. Smith



The reply to the foregoing letter was received from the  
Managing Director thus;

5 February, 1980

Dear Mr. Smith,

Communications Research

I am writing to confirm our conversation this morning to the effect that I am prepared to give you access to the Society's organization for the purpose of your research project thesis associated with Bath University, as set out in your letter dated 5th February 1980.

As indicated, I believe that an impartial examination of the effectiveness and efficiency of the Society's internal communications in the realms of objectives and policy will be of value to Management. I agree that your expenses in preparing such reports for the Society as suggested should be met by the Society on the basis of £30.00 per day for each day spent within the Society's organization and that secretarial assistance will be provided for the compilation of the fortnightly and other reports to the Society.

I understand that your Supervisor - Mr. Geoffrey Hutton may wish to visit us and no doubt you will make the necessary arrangements through Mr. Ivor Davies, Personnel Controller, to whom you will be responsible when you commence your project here.

Upon hearing from you that the proposed arrangements are acceptable and endorsed by Mr. Hutton, I will arrange for an announcement to be made to the staff with a view to you commencing your researches in April.

You will recollect that it was emphasised at our meeting this morning that confidentiality is important and you agreed that I

might see your draft thesis before it is finally submitted -  
the Society having the right to veto if it is contemplated  
that any part relating to the Society be published in the future.

Yours sincerely,

(signed)

Managing Director

Following receipt of this letter I arranged for Geoffrey Hutton's visit to take place on 27 February. Geoffrey was happy that the Society would provide a satisfactory research site and stated that the Managing Director's interest in communication was legitimate given his long periods of absence from the Society during 1978/79 caused by his Building Society Association Presidential duties over that period. He (Geoffrey) was more concerned about the Personnel and Training Controller and felt that some of the problems hinted at in the contracting interviews could revolve about him. This Controller had brought up the question of staff competency (expressed by "others" he said) and whether or not the exercise would be a witch hunt on this issue.

At this time it was agreed that I would make regular reports on progress and activity to the Managing Director and this completed what had been a slow and subtle switch of client from Deputy General Manager to Managing Director. The project was announced to staff in late February via an issue of Spotlight (The Society's monthly information bulletin to all employees) and work commenced on 24th March, 1980.

Chapter 8, later in this thesis describes the C & G in some detail but a very brief description at this point will make the remaining chapters of Part 2 a little easier to follow.

The C & G is one of the top twenty Building Societies in the U.K. with assets in the order of £675 million (in 1979), just over 100 branches and sub-branches and 360 agencies spread throughout the country and a total of just over 800 full-time people on the payroll. Figure 3 shows the organization structure and names the key managers in each functional area and management level. All the key managers are situated in the Chief Office which is located in the centre of Cheltenham in Gloucestershire. Being a financial institution the Society is very dependent upon strict control of money flowing into, through and out of the system and this is achieved by a proliferation of manual procedures, a computer based information and processing system to reduce manual work whenever possible and a highly structured management/administrative hierarchy to ensure conformity with policy, procedure, rule and regulation. Because there is no tangible product, (other than mortgages granted and investments received perhaps) task - end point (objectives) relationships are hard to establish and the concentration thus tends to be on means rather than ends. The "products" offered by all the Societies (savings investments, term investments etc.) tend to be very similar so that competition very often rests on the quality of service to customers. The C & G prides itself on its service efficiency and spends much time, effort and money on maintaining it at a high level. Formal communication with staff is provided by a monthly bulletin



(Spotlight) and a quarterly magazine (Over the Treshhold) and they operate a Consultative Committee system. Staff work in excellent office conditions, receive adequate pay by comparative standards and are entitled to low interest mortgage loans. Upon first contacts and in relation to the more obvious and manifest criteria attaching to work environments, the C & G would appear to be a most satisfactory place of employment.

## CHAPTER 6. DATA COLLECTION

All the empirical data for the English study was accumulated during the period March - August 1980. In that period 68 days were spent within the Chief Office and Branch system. Activities involved interviewing, observing, examining records, reports, procedures etc. (unobtrusive evidence), conducting a series of formal questionnaire surveys and reporting. The procedures involved in each of these activities are described and discussed in this Chapter.

### Interviewing

By far the most time consuming and difficult aspect of the whole study were the initial interviews (and accompanying note writing) which were conducted at all levels and in all functional areas of the Society. There were 60 of these interviews. In the Chief Office this involved every Manager, Controller, Supervisor and Section Leader as well as a sample of technical, clerical and operative staff. Twelve Branches were visited (they comprised a cross section of the Society's Branch network) and the Manager at each was interviewed, and in certain cases, Assistant Managers and Cashiers were also interviewed. A number of staff contacted were also members of one or other of the three staff/management consulting committees.

Besides the initial interviews a number of staff were re-interviewed and many others were contacted and conversed with informally - sometimes on a chance meeting basis and sometimes by choice (initiated either by myself or by them) as a by-product of my situation and presence at Chief Office.

All the initial interviews were of an informal kind with the focus being on the interviewee's employment history with the Society (and before if relevant), current job responsibilities and duties and organizational or personal issues that emerged. The subsequent contacts had agendas inspired by my need for specific information or the staff members desire to 'sound me out' or just chat. The frame of reference I took in all interviews was objective and non-directive towards the generation of either praise or criticism of the Society and its operation so that any bias towards one or the other was likely to be the result of the respondent's initiative. It was necessary in most initial interviews to explain my role as both researcher and consultant and I usually resolved the delicate issue of confidentiality by stressing the grouped nature of the consulting feedback that the executive would receive from me.

No tape recorder was used and no notes were taken during interviews making them similar in type to the style used by Zweig (1965). This engendered quite a few comments such as "the recorder is hidden under the table is it," and "why aren't you writing this down, its important". I explained that their views would not be lost as I was making summary notes later and I wanted to listen to what they had to say rather than pre-occupy myself with writing or taping. Immediately after each interview I retired to a private corner and wrote out everything I could remember about the conversation and also my feelings about it and any environmental/climate details I thought would be useful data. It turned out to be easier than I had anticipated because knowing what faced me seemed to sharpen my listening skills and kept me concentrating as an active listener rather than an active

intervenor. As each interview lasted a minimum of three-quarters of an hour (I didn't find one person unwilling to talk at length about themselves and their job) and many went for three and four hours including lunch - the 'field notes' that emerged were copious. Despite this they were extremely useful because it was possible to accompany data collection with analysis to a certain extent. I must admit that towards the end I was having to drive myself to keep making these notes - particularly of the informal encounters which occurred more frequently as my stay lengthened. Despite the problems and the pressure, my experience has not prompted me to use a tape recorder next time. I had intended to participate in group meetings (a data collection method proposed in the contract) but the Society has so few of these that I only managed to attend and take notes of one! Examples of notes written after interviews are shown in Appendices 6-1 and 6-2.

The interview notes were used as one set of inputs to the development of a number of propositions about the Society and its operation and these are introduced in Chapter 9.

### Observation

Most of the interviews were held at the interviewees work place and offered the opportunity for observation of office layouts, equipment, staff organization and work flows in conjunction with, or before or after, the interview. The results of these observations were built into the notes of each interview so that they could be called field notes with some justification. The observational process was very useful in gaining a feel for the



operational aspects of the Society as well as the working climate or atmosphere that prevailed. Two examples are quoted below to indicate the nature of these observations.

- (1) The Management Services Controller (Morrell) has a large cupboard behind his desk which is packed with every procedure written about the Society operation. They number, he told me, upward of a thousand. He seemed anxious to impress me with his Department efficiency and found some procedures I asked to look at as if by magic. In order to get a copy of 'Spotlight' he issued a series of brisk orders to a couple of harassed clerks which materialised it very rapidly.
- (2) In the Mortgage Administration Department the Vickers file storage and retrieval system is a marvellous bit of machinery. It can be used to store or retrieve anyone of 70,000 deeds in about half a minute. The Manager of the Department (Malvern) who was responsible for its installation is very proud of it, as are the staff. When visitors come around or new employees are being inducted, it gets almost as much acclaim as the computer.

#### Documentary Evidence

A large amount of unobtrusive evidence in the form of documents such as job descriptions, policy letters, procedures, magazines and so on was gathered during the field study period. A list

of all these documents is shown in Appendix 6-3. These documents are of both the public 'running record' type and the private 'episodic record' type as described by Webb, Campbell, Schwartz and Sechrest (1966).

Again, as with observation, there is no doubt that the evidence in these documents or measures contributed substantially to the acquisition of the picture of the Society and its operation that I was able to build up. In terms of looking at its history, for example, there was no other way of doing it because the collective memory of the staff went back only 30 years at most. As a method it is also somewhat less difficult and costly than interviewing and observation.

This type of evidence was collected by asking for it (in the case of personnel information and records for example) or by accepting it when offered (the book outlining the Society's first hundred years for example).

#### Formal Questionnaires

Three questionnaires were developed, one for Controllers/Managers, one for Branch Managers and one for Cashiers at Branches. The first two were proposed by myself and arose from a discussion with my research supervisor in regard to the possibility of measuring the strength of the propositions evolved from the interviews, observations and documentary evidence. The third was requested by the Managing Director and concentrated on training and the effectiveness of policy and procedure communication from Chief Office. He had envisaged in our initial contract that information from the 'front

line' would help him to re-establish contact with this area because of the growth of the Society, his lengthy absences over the previous two years necessitated by his Presidency of the Building Societies Association and his reliance on perhaps biased 'eyes and ears' in the form of his Business Development Managers (the four managers of the Branch network). I had not intended to cover this area until he reminded me of our agreement during my concentration on the two questionnaires in which I had a vested interest. A good example, this, of the problems that arise when research and consultancy are carried out concurrently (Sofer, 1961).

The two main research questionnaires were drafted in order to obtain the go ahead from the Managing Director, checked out with my supervisor and redrafted and then approved by him, submitted to testing and then final typing in the Personnel Department, initialled again by the Managing Director and (at last) sent or handed to respondents. The cashier questionnaire was drafted and finalised within the Personnel Department prior to being sent out under my name.

Each questionnaire was designed so that composite results could be added easily to a copy of it and each appears in the appendices associated with Chapter 10 - Questionnaire Survey. It can be seen that all questionnaires used a five point scale to be used in evaluating statements which either precede the scales or are built into the scales to describe them. An introductory page on each questionnaire was used to both persuade people to fill it in and to give them instructions on how to return it. I

used a system of identification numbers to be able to identify Controller/Manager returns individually and Branch Manager and Cashier returns by region. The Cashier questionnaire incorporated means of determining the respondents conditions of service and length of service.

The Controllers/Managers questionnaire included a modified version of Lawrence and Lorsch's (1967) conflict resolution mode questionnaire and a block of questions from the questionnaire used in the Australian study, both of which seemed relevant to testing the propositions I was proposing. All other questions were, for better or worse, my own work. The Branch Manager's questionnaire was composed of some questions the same as those in the Controllers/Managers survey and others unique to their situation. It did not contain the conflict resolution mode questions.

The Cashiers questionnaire was composed of some questions which were the same as those in the Branch Managers survey and others unique to their situation.

Open ended questions were included in all the questionnaires. The relationship between propositions and questions and between similar questions on different questionnaires is discussed in Chapters 9 and 10.

### Reporting

Over the period of the field study a continuing dialogue with the Managing Director was maintained via a series of reports

from me to him each followed by an interview to discuss the content of the report and possible new directions in which to proceed. Although designed to keep him informed of my activities (as agreed in our contract) this dialogue became an important source of data as the study evolved. There were five of these interim reports and one of these together with the notes of the subsequent interview is shown in Appendix 6-4.

The final report containing the results of my investigations and my analysis of those results marked the fulfilment of my consulting obligation to the Society. Most of the contents of this report and the executive reaction to it can be seen in Chapters 9 - 13 of this thesis and all that is shown here is a copy of the contents page (Appendix 6-5).

CHAPTER 7. PROCESSING, EVALUATING, PRESENTING AND INTERPRETING THE DATA:

Processing the raw data presented a rather formidable challenge.

As a result of the interview, observation and report parts of the data collection function I had accumulated over two hundred pages of notes and comments. The formal questionnaire involved the respondent in marking a series of five point scales relating to various issues as described in Chapter 6. The 21 Controller/Manager respondents each replied to 81 issues (1701 answers in total), the 59 Branch Manager respondents each replied to 59 issues (3481 answers in total) and the 133 cashier respondents each replied to 37 issues (4921 answers in total). In addition each questionnaire provided an open ended question to generate respondent initiated comment. The documentary evidence (as shown in Appendix 6-3) provided a wealth of data but in a rather more haphazard order than provided by other data collection methods.

At this stage, I was very conscious of two remarks made by a Lecturer at a seminar on the analysis of qualitative data (Marshall, 1980):

1. "It's a risky way of doing multi-variate analysis, in your head as it were",
2. "It's easy to get hooked into a quantitative approach when processing data produced using qualitative methods".

The second remark I felt was particularly appropriate as I had lots of 'measured' responses on questionnaires with which to launch into quite sophisticated statistical analyses. In the

following sections I will describe briefly how I handled the data.

#### Interview, Observation and Report Data

The data were kept in identifiable form so that people, dates, times and places could easily be related and traced back to its origins. Copies were made of this material and used in the next phase of processing. Five classifications for the data were chosen as being appropriate to the nature of the analysis and they were:

- \* Structure/Boundary Management
- \* Management Style/Methods
- \* Operations
- \* Climate/Conditions
- \* Outcomes

Every comment, observation and report note was then considered in turn and placed into one or other of these classifications. There were many instances where data could not be neatly classified but I made a value judgement in these cases as to the best area to place it. After an examination of the contents in each classification, nineteen propositions regarding the Society and its operation were evolved. These propositions (in amended form) and a sample number of the comments which led to their derivation are presented and discussed in Chapter 9.

Thus I ended up with a full file of indexed original field notes, a file of these results sorted and classified into five organizational areas and nineteen propositions which represented a synthesis of the contents of the five areas. I reached this stage after 38 days with the Society and at that time wrote a

working paper on the progress of the research. This paper also contained the propositions developed and drafts of the Controller/Manager and Branch Manager questionnaires which were due for approval by the Managing Director followed by distribution. In light of comments by my supervisor I amended many of the propositions from critical/evaluatory statements into broader interpretative statements. Two chapters of this working paper, one of which described the making of the contract and another which described the Society background, context, structure and operation form the basis for two chapters in this thesis. (Chapters 5 and 8 respectively)

#### Questionnaires

The two research questionnaires aimed at Managers and Controllers evolved from the propositions derived towards the end of the processing of data from interviews/observations/reports and the relationship between the propositions and questions is explained in Chapter 10. The Cashier questionnaire contained some questions which were the same as those used for Branch Managers (related to Chief Office - Branch understanding) but dealt in the main with training and their views about their job.

In all cases the individual responses for each group were consolidated into a composite response by calculating the mean rating for each question. At the same time a frequency distribution of responses were calculated. These calculations of means and frequencies were performed after all individual responses had been



transferred to master sheets to facilitate comparisons as well as aid figuring which was done manually. Individual replies to open questions were accumulated and typed up together. Response rates, means and frequencies for each group were transferred from the master sheets and recorded on a copy of the relevant questionnaire to become (together with replies to open questions) the final result of the surveys which was presented to the Managing Director via the final report. These results are presented and discussed in Chapter 10.

In addition to the composite groupings a number of other sub group results were calculated from the master sheets as follows:

- Controllers/ Managers - means calculated for respondents classified by Department/Function.
- Branch Managers - means calculated for respondents first by area and then by whether or not they had retained the identification number on their returned copy.
- Cashiers - means calculated for respondents classified first by area and then by conditions of service (full-timers or part-timers).

All these results are also presented and discussed in Chapter 10. They were all given to the Managing Director in the final report except that for Controllers/Managers by Department/Function, because in this it was possible to identify some individuals and my confidentiality contract with them would have been broken.

No further statistical processing of this data was done, because of preference and the nature of the study and because the anomalies that became apparent between propositions and the survey results cast doubts upon the validity of the survey data. Chapter 12 describes these issues more fully.

At the conclusion of the C & G assignment the original answered questionnaires were dealt with as follows:

- Controllers/Managers - returned to relevant respondents.
- Branch Managers - identifiable questionnaires returned to relevant respondent and unidentifiable questionnaires destroyed.
- Cashiers - handed over to the Training Section for their inspection and possible use in re-structuring of training programmes. (These were unidentifiable).

Those who received questionnaires back also received an accompanying letter explaining how they could obtain access to the composite results for their group in order to compare the overall response with their own. Chapter 13 explains this process, and the reasons for it, in detail.

#### Documentary Evidence

The written documents, books, brochures, forms and so on which formed this part of the data did not receive the same detailed processing attention as data generated by other methods. However,

after much shuffling and many false starts I decided to classify the material into the four sections shown in Appendix 6-3 - context, structure, operations and climate. The only section in which an actual processing method was used occurred in the analysis of structural data. In this case measures were made of levels in the hierarchy, spans of control both overall and by Department and the degree of functionalisation. An attempt was made also, to trace the effect that organizational structure changes had had on the Society since 1975. The results of this processing are presented in Chapter 8 and discussed in Chapter 11.

In regard to the remaining sections I used material in them in a sort of absorptive/comparative manner to obtain a 'feel' for the current culture and its historical roots. There is no doubt that my painting of the enterprise reconstructed from these remnants of evidence and examples of operation is very subjective and would be difficult to defend using rational and logical means. However, my use of these feelings and the resulting picture was not to promulgate theories about the Society but to provide support or otherwise to theories developed using the main data collecting methods. Thus, the feelings generated by this data do not appear in a formal way but are presented at appropriate times during my interpretation of results in Part 4. One exception to the above is Chapter 8 which is based entirely on documentary evidence.

#### Interpretation

As can be ascertained in the example of the report submitted to the Managing Director early in the study (Appendix 6-4) the work of interpretation began with the collection of the first pieces

of information. Figure 2 in Chapter 4 indicates the inter-relationship between data collection and its analysis and interpretation as part of the investigative process - in trying to cope with situations there is no simple procedural answer like 'begin with the facts' or 'collect data, then analyse'. The interim reports, the final report and the working paper mentioned earlier in this chapter all represent attempts at interpretation as the study proceeded. Part 4 of this thesis is the end result of the interpretative journey.

My focal interest and curiosity at all times was the relationship between the manifest and the underlying organizations. Given the wealth of data collected and the interesting tributaries that could have been followed (into structural malfunction, Branch-Chief Office antagonisms, morale and motivation problems and so on) it was as well that I did have a main stream to follow. A useful sidelight on the point I made in Chapter 4 regarding observer bias was shown by the comment made in my last interview with the Deputy General Manager. In your initial contract, he said, you stated that your interest was the relationship between the overt and covert aspects of organizations and in the final report to us you highlight the difference between what we as an executive think the C & G is like and what it is really like - isn't this an example of a self-fulfilling prophecy at work? My answer was that my position was similar in many respects to researchers looking at stress in organizations. They know they will find it but don't know where or who or how or why! In other words, I knew I would find these two organizations but I did not know the nature of their relationship in this particular situation. I don't know whether he was

convinced and perhaps the need to answer the question was more useful to me than to him in clarifying the point at issue.

I have made particular efforts to explain what I saw in terms of the data collected and processed and not in terms of a pre-conceived theoretical framework (Berg 1979). However there is no doubt that my knowledge of the theoretical field (outlined in Chapter 2) and my attitudes and assumptions (outlined in Chapter 1) influenced me in my search for patterns, regularities and inconsistencies in order to determine the nature of the social system facing me - both the manifest surface of that system and also the deeper patterns and mechanisms which are often hidden to participants as well as casual observers.

PART 3.    THE ENGLISH STUDY - RESULTS

## CHAPTER 8. HISTORY, STRUCTURE, CONTEXT AND OPERATION

The C & G was founded in 1850 as the Cheltenham and Gloucestershire Benefit Building Society. Its growth during its first 100 years of existence was slow and erratic and by 1950 it had 5 branches, 11 agencies and assets of £14,698,000. These years were celebrated in 1950 by the production and publication of an historical treatise called "What Lasts a Century Can Have No Flaw"! By 1965 the Society boasted 20 branches, 53 agencies and assets of £67,500,000 and by 1979 there were 100 branches, 360 agencies and assets had reached £74,858,000. This rapid growth occurred mainly in the 1970's and is shown on Appendix 8-1. Branches are concentrated in the South and South West of the country and Appendix 8-2 shows the 30 January 1980 position with 103 branches. As can be seen, the Branches are divided into four regions but because all the Business Development Managers are based in Cheltenham (at Chief Office) regionalization and decentralization as operated by the large Societies (Halifax and Nationwide are two good examples) does not occur. The Branch Managers at Yeovil and Edinburgh have additional responsibilities as Area Business Managers and this gives them a little more status than other Branch Managers. Each Branch is graded as A, B, C, D or sub-Branch according to assets accumulated.

The main purpose of a Building Society is to accept money from the public, pay interest on that money and, except in certain types of investment, allow it to be withdrawn on demand or at

short notice, thus providing a convenient savings and investment service. Most of the money received is used to assist, by mortgage loans, those wishing to purchase freehold or leasehold properties for owner occupation. As opposed to Banks, Building Societies tend to borrow short and lend long. Building Societies are all regulated by legislation incorporated in a series of Building Society Acts (1836, 1874, 1894, 1960 and 1962). The acts give them a status of their own; lay down conditions regarding their function, operation and dissolution; provide for audit and publication of annual accounts; restrict their borrowing and lending powers; deal with the question of additional security for a mortgage (i.e. apart from property itself) and confer advantages such as the limitation of the liability of members and the discharge on their behalf, of basic rate tax liability on interest earned by investors. The Chief Registrar of Friendly Societies has responsibility for seeing that the provision of the Acts are observed and he supervises the operation of Building Societies as required.

There are 284 Building Societies in the U.K. at the present time with the number being steadily reduced by mergers (in 1950 there were 750). The majority of Societies are members of the Building Societies Association which attempts to co-ordinate Societies operations and provide a united voice for the industry. Another body, the Chartered Building Societies Institute produces a bi-monthly Journal and runs training programmes for Building Society staff at its headquarters, Hanhams Hall, Ware, Hertfordshire. It is also the professional body which runs examinations and



examines qualifications as a means of establishing individual grade/membership status.

The Building Societies are grouped for comparative purposes into 5 groups as follows:

- Group A1 - The largest (5 of these)
- Group A2 - 6th to 17th largest (12)
- Group B - others with assets over £120m (19)
- Group C - assets between £30m - £120m (50)
- Group D - assets under £30m (198)

The top 17 hold about 80% of total Building Society assets (£47,352,000,000 as at April 1980)\*. The C & G ranks number 15 in the whole league with a market share of 1.5%. As one Branch Manager expressed it to me - the C & G is a middle roader, bigger than the locals but smaller than the true nationals. Its market share has not varied significantly during the past six years and it has maintained its record without merger benefits (unlike the Bristol and West for example) and doesn't show the steady decline in share exhibited by a number of other Societies. The C & G's management expense ratio (total management expenses over assets) is 1.033\*\* in 1979, which is a little lower than its immediate competitors in Group A2 and they also seem to manage with less staff relative to these same competitors.

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\* The Societies cater for about 25,000,000 investors and 5,000,000 borrowers.

\*\* Societies in Group A1 manage about 0.95.

The Chief Office in Cheltenham employs 217 people and the Branch network (including Cheltenham Branch which is attached to Chief Office) employs 386 full-time and 200 part-time staff giving a total of 803 people on the payroll.

Appendix 8-3 is a composite attachment and shows:

- \* the 1979-80 organization chart (already used as Figure 3 in Chapter 5)
- \* the 1977-78 organization chart
- \* the 1975-76 organization chart
- \* brief responsibility descriptions on Managers noted on the 1980 chart
- \* some structure statistics and length of service figures associated with the 1978-80 chart

The latest chart was obtained from the Personnel Department but does not have wide distribution - many managers had not sighted it I found.

There are two committees composed of elected staff representatives who negotiate wages, salaries and conditions on behalf of the relevant staff, i.e. graded staff and Branch Managers. Graded staff form the majority of total staffing and occupy clerical, technical/operative and first line supervisory positions. Appendix 8-4 shows the grading system and results for the 1980 negotiations. Grades have been determined by a job evaluation system instituted in 1973. In addition all staff qualify for a low interest mortgage (about 5%) after a certain period of satisfactory employment.

There is a Consultative Committee which meets at quarterly intervals and provides a forum for staff - executive view interchange and discussion of non-salary issues. Managerial and professional (mainly computer) staff are ungraded and have no representative salary negotiating body.

Two vehicles for regular dissemination of information exist - "Spotlight" and "Over the Threshold". 'Over the Threshold' is a quarterly glossy magazine of the hatches, matches, dispatches variety with social data included and also articles of literary pretention. 'Spotlight' provides a means of distributing notes and memos.

A Board meeting is held every two weeks and is attended by Messrs. Stow, Vose, Longhurst, Knowles and Jones. The only regular meetings held are the advertising committee meeting (quarterly) and the Branch Management meeting (held monthly between the Deputy General Manager and the Business Development Managers and the Branch Administration Manager). Board members (some), executive and the marketing duo comprise the advertising committee which looks at new products and services as well as TV and press advertising. Neither the executive, the managers/controllers nor supervisors/section leaders meet formally on either a cross-functional or an intra-functional basis.

Appendix 8-5 shows the location of the various departments/sections/facilities in Chief Office. The executive suite features enclosed offices - all other floors use an open office design. Appendix 8-6 indicates the current establishment at

the Chief Office by function and grade.

The Management Services Controller (John Morrell) is the compiler, auditor and custodian of a great and growing number of procedure manuals which cover all aspects of the Society operation. A complex computer system handles most of the routine EDP associated with investments, mortgages, deeds and accounts. All relevant departments have access to stored information via VDU's or hard copy printouts and a start has been made on putting the Branch network on-line. These systems have been introduced progressively over the past 12 years - the initiator being the present Deputy General Manager (Andrew Longhurst) who joined the Society in 1968 as an EDP specialist. Much of the credit for holding staff numbers at a stable level over this period has been given to the computer.

Typing services are centralized and based on a Dictaphone 193 system which achieves a turnaround of 25 minutes on dictated work and one hour on copy work. They have not considered word processing yet because the present system copes efficiently and effectively with current needs. The typists are the only employees who operate with a bonus reward for extra effort \* - its retention in the face of pressure from those without such a reward is in no small part due to the influence of the Supervisor (Mrs Jean Carter). She also happens to be far and away the highest paid

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\* I believe bonuses are given annually to managers who, in the opinion of executive, have performed above the average.

first line supervisor outside the EDP department (see appendix 8-6, her P5 grading).

Most of the documents used are filmed on micro-film or microfiche and retained in this form. The system is very efficient and strictly controlled. One supervisor told me - "if they tell us we have a document file on loan, we have, even if we haven't got it!"

The deeds storage and retrieval system is the pride and joy of the mortgage department. It was installed by Vickers Ltd. and does indeed warrant the esteem in which it is held as the speed of retrieving any one of the 70,000 deeds held has to be seen to be believed.

All the Managers and Controllers compile a monthly situation report which serves as a stimulator for individual discussions with relevant members of the executive each month. There is a great deal of formal training done at Branch level of Assistant Branch Managers and Cashiers but none of any note at Chief Office (apart from an induction type course everybody strikes early in their employment).

The Society operates an annual personal assessment programme at three levels - graded and professional staff, Branch Managers and Chief Office Managers. The programme is closely associated with the annual salary decision making process. Application forms for use by applicants for staff and senior staff appointments are fairly typical and successful applicants are given a contract of employment if they accept the post offered. There is a staff handbook printed and available to staff who request it or are given it at induction. Amongst other things

it describes the Society grievance and disciplinary procedures (Appendix 8-7 shows the contents list of this handbook).

Below manager level in the main operating departments (accounts, mortgage, investment and computing) is a first line supervisor level composed of graded staff. They are known as supervisors or section leaders and are graded at either C6 or C7 (except Mrs. Carter as mentioned previously).

Most of the data described in this Chapter was gathered during my first 38 days with the Society at the same time as the interview programme was being carried out.

Both observation and examination of the above data tended to confirm that the Society operated very efficiently in comparison with other Societies and deserved the reputation it had of being a progressive and innovative organization - particularly in regard to the technological side of the business.

It is within the Society described in this Chapter that the interviews and questionnaires were used to gain a better understanding of its working and the organizational, group and individual issues involved. The nature of these issues did not, of course, emerge in any detail during the collection of documentary evidence but certainly did in the face to face data collection phases as the results described in Chapter 9 and 10 will show.

## CHAPTER 9. INTERVIEWS AND PROPOSITION DEVELOPMENT

Whilst Part 2 of this thesis describes how the study of the English Society was carried out this Chapter details the results that were obtained from the interviews which were the main means of gathering data used during the research period, i.e. individual interviews held with sixty staff members.

As noted in Chapter 7 the amount of information generated presented a formidable analytical task but by consolidating, sorting and grouping, the information became more understandable and capable of synthesis. The process of analysis and synthesis resulted in the derivation of nineteen propositions about the Society and its operation and these are dispersed under the headings (or variables) used for grouping as follows:

- (a) Structure/Boundary Management - 6 propositions
- (b) Management Style/Methods - 4 propositions
- (c) Operations - 4 propositions
- (d) Climate/Conditions - 3 propositions
- (e) Outcomes - 2 propositions

What follows is a statement of each proposition accompanied by a very small number of the staff interview comments which led to the derivation of that particular proposition. These comments, though representing a very small sample of the total available, are typical and illustrative of that total. It will be seen that some of the propositions which appear under different headings are related - a problem which occurs in any attempt to define boundaries in a dynamic and interactive task/social system. Despite this my content analysis does, I hope, put together the things that belong together

so that the pattern which is depicted does mirror reality.

a) Structure/Boundary Management

Proposition 1 - Computer Influence. The computer/systems/programming department and the procedures associated with it exert a very strong functional influence on the operation of the Society and on the attitudes and behaviour of staff.

Related Staff Comments:

- \* The computer has been necessary but is now the premier department and gets all the attention.
- \* The computer is a sore point with many of us - the fact that it has excess influence and gets preferential treatment (on staffing, salaries and equipment).
- \* We are terribly computerised you know - we talk about "computer enhancement" not "improving things".
- \* Computing is the top department because the people in it get to know the total operation.
- \* The Society is composed of two sorts of people - computer staff and the rest. They get what they want.
- \* The computer is God at the C & G.

Proposition 2 - Task Objectives Balance. The primary tasks associated with serving customer needs effectively and the administrative tasks designed to do this in an efficient manner require a fine balance if both are to be successful.

Related Staff Comments:

- \* I often think that administration is the prime issue in the



society.

- \* The emphasis now is on getting money at any cost and we are losing the individual service approach.
- \* We have a cash withdrawal limit of £300 but we will give £500 if the customer is irate - you have to bend the rules if we are to give service ; policy must be administered with feeling.
- \* We ask the Supplies people for double because we know from experience they will halve the order.
- \* Longhurst is good on administration - it comes first with him.

Proposition 3 - Chief Office/Branches Co-operation. Setting up a Chief Office and a Branches network creates, inevitably, the opportunity for misunderstanding of objectives, roles and operation between the two camps, with an accompanying degree of strain and antagonism.

Related Staff Comments:

- \* There is a bit of a feeling of them and us between Chief Office and Branches - it cuts both ways.
- \* Things are done to suit Chief Office and not the Branches - they don't really understand how a Branch works.
- \* The standard of cashiering is abysmal and I could tell you some stories about Branch stupidity and error.
- \* Branch people just don't follow the procedures - that is why they get in trouble.
- \* The tail wags the dog and Chief Office see us as serving them.

Proposition 4 - Marketing/Personnel Influence. The marketing function and the personnel function do not seem to have the

influence one would expect in a service organization which is dependent upon staff ability and co-operation.

Related Staff Comments:

- \* Marketing is not a visible entity in the organization.
- \* We haven't changed over the past few years - it's outside that's changed and we are standing still in regard to people management.
- \* From what I can see Personnel don't have much influence these days. They are very much on a string controlled from above.
- \* Of course, everyone is an expert on people and selling, so who needs the specialists?
- \* Marketing and advertising have a bad name amongst the Branch Managers.

Proposition 5 - Differentiation/Integration Balance

Differentiation (the division of work) requires a corresponding amount of integration if the resulting working units and levels in the hierarchy are to be co-ordinated rather than operating separately within tight boundaries.

Related Staff Comments:

- \* It's hard to penetrate departments here - we don't mix much and even sections resent intrusions.
- \* To us the third floor (executive) is the other side.
- \* Re-organization has lengthened the line too much (in the mortgage area for example) and our structure may be too clumsy now and harder to hold together.
- \* We don't like Committees, except to give out information
- \* Most of our relationships are on a 1:1 basis - we only meet

as a group in a crisis.

Proposition 6 - Job Objectives. It is important for job incumbents to be reasonably clear about their objectives and role in order to be able to operate and communicate successfully themselves and with others.

Related Staff Comments:

- \* We changed titles, but, it seems, not what people do.
- \* There are lots of dotted lines on the organisation chart that aren't shown (or known for that matter!)
- \* The situation between Business Development, Branch Administration and Marketing confuses me - I now write a memo with copies to them all so that whoever is responsible gets the message.
- \* Since re-organisation we have worked our jobs out and liaise well together in the Branches management team.
- \* I've got a couple of reporting lines upwards and the balance isn't worked out to my satisfaction yet.

b) Management Style/Method

Proposition 1 - Decision Making Levels. The Society has centralised its major legislative decision making processes and concentrated these at the executive level of the hierarchy and made policy and procedure execution almost the only role of the lower levels.

Related Staff Comments:

- \* We are expected to do as we are told and not ask questions.
- \* The lower levels always want more authority than we can give them.

- \* We don't get any say in the development of new products or services.
- \* We had a lot of things rammed down our throats at the Annual Conference.
- \* Our role is to provide the information for them to make decisions.
- \* I think we avoid committees in order for top executives to be able to avoid group pressure for changes that they don't want.

Proposition 2 - Locus of Power and Influence. Power and influence rests firmly at the top of the Society and rapidly diminish in strength through each level of the organization.

Related Staff Comments:

- \* Changes have been requested but are rarely accepted.
- \* Generally speaking the only experts reside at the top - they are always right, never wrong.
- \* Everything goes back to Longhurst, he's the setter of fashion and arbiter of style.
- \* You can argue with them I suppose, even if you know that they will win.
- \* They listen if you are seen as a "professional" but feel superior to graded staff so they talk down to us.
- \* We won't get change until they push power down to Managers or share power within an executive committee - but it won't happen because they want to retain control.
- \* Vose is a nice guy but not powerful.
- \* The Manager picks people for us and the first time we see them is when they begin in our section.

Proposition 3 - Manager Skills. As well as skill in the management of tasks and procedures, Managers require skill in managing people, in liaising and negotiating with other Managers and in planning for change.

Related Staff Comments:

- \* The C & G manage by crisis or put off decisions in the hope they will resolve themselves - there is not much attempt at planning ahead.
- \* We don't seem to initiate on equipment or growth, needs become apparent and are satisfied.
- \* We pick people as Managers because they are good specialists on the technical side not because they have people - handling skill.
- \* I sometimes try to influence Managers and Supervisors who are not responsible to me.
- \* Many Managers have problems with people - they have come up through the ranks and feel inadequate in that area.

Proposition 4 - Executive Influence. The Executive Group and the way in which they communicate and co-operate as a group has a great influence on the rest of the Society.

Related Staff Comments:

- \* You can't listen to everybody - decisions have to be made quickly. I'd rather win the gold medal than be the team manager (Longhurst).
- \* I know there is not much communication between the Executives and we usually catch the flak when problems result.

- \* The top Executive lack the human touch and so concentrate on things rather than people.
- \* I've known letters to go from the top to the middle and meet a by-passed and bewildered Executive as the resulting action is communicated up!
- \* The Executive are not a team - you have two or three levels.
- \* They sometimes don't get their act together before presenting it to the troops - can be confusing.

c) Operations

Proposition 1 - Communication. When the emphasis is on the downward transmission of large amounts of task oriented information there is likely to be:

- \* less attention paid to the placement, quality and usefulness of that information.
- \* some disregard of the need for a corresponding amount of accurate upward and horizontal movement of information.
- \* less concern for the personal relations aspects of all such communication.

Related Staff Comment:

- \* Down the line tells up the line what they want to hear not what is really happening.
- \* Its certainly open door here - Stow storms in quite often.
- \* Our procedures and manuals keep things in line.
- \* We often hear of appointments at the last minute and it is hard to arrange training then.

- \* We are often not involved in procedure changes that affect us and when problems arise we then get consulted - but that is too late.
- \* People want to do more than just respond, they want to interact.
- \* Down here we are kept in the dark - they keep information to retain power.
- \* The Committees are not effective - there is no negotiation. We tell them what we want and they tell us what we are going to get and that's it.

Proposition 2 - Conflict Resolution Methods. When the main conflict resolution mode is force from above there is little challenge to the system and the corresponding subordinate reaction is withdrawal and manifest acceptance.

Related Staff Comments:

- \* Managers just say "yes" to the top executive - you don't bite the hand that promoted you do you?
- \* A Stow line as quoted, "I don't quite agree with you - what you meant to say was ....."
- \* I have a job skill to fall back on - others who haven't are not so secure and are scared of rocking the boat.
- \* Even if things aren't right they don't want to know because it would upset the apparent smoothness of personal relations.
- \* People aren't hostile - they just turn off when the system can't be beaten.

- \* You can't be outspoken in Committees - they are, after all, still the "bosses".
- \* You can argue with Longhurst even though you know he will win.

Proposition 3 - Personnel Policy Application. The fairness of the administration of personnel policy is judged by the objectivity of its application.

Related Staff Comments:

- \* The typing girls work on a bonus system and this causes some unhappiness amongst the rest of us.
- \* There is a differential treatment on overtime at professional level - computer people get it and we don't.
- \* They buy people off if they want to keep them. Some people have used the job offer ploy as a bargaining point and won.
- \* We know the grading system gets bent at times.
- \* There is a lot of concern in Investments about their job evaluation compared with that of Mortgage Administration.

Proposition 4 - Training and Development Levels. The emphasis on training and development is in inverse proposition to the amount of hierarchical authority held.

Related Staff Comments:

- \* The issue of management training is all a bit political - it is not thought necessary.
- \* We have developed a lot of Branch training very quickly and now need to evaluate and consolidate.



- \* We don't really have any training programme for Branch Managers - experience is the best teacher anyway.
- \* Supervisory training - what's that?
- \* Many of our older Managers wouldn't accept training - they have been here since the year dot.
- \* If you send people on courses they have expectations of promotion aroused.

d) Climate/Conditions

Proposition 1 - Job Satisfaction and Efficiency. Whilst efficiency and job satisfaction are not mutually exclusive, over the past fifteen years there has been an increasing concern with efficiency and a decreasing concern with job satisfaction within Society.

Related Staff Comments:

- \* Whatever you say about the C & G it is efficient
- \* The atmosphere has changed over the years - much less 'family' now and very Department rather than C & G oriented.
- \* Two years ago the Cashiers were much more with and for the Society.
- \* The office is not as happy but it works better.
- \* You can take efficiency too far - it is no good if not balanced by a concern for people.
- \* My major complaint is that they criticise errors but don't praise good work.
- \* Many jobs at Chief Office don't provide much satisfaction.

Proposition 2 - Acceptance of Work Conditions      Conditions of work are creating a surface picture of contentment with jobs which might be belied upon closer investigation.

Related Staff Comments:

- \* We aren't subjected to harsh discipline and working conditions are good.
- \* Most of us stay because of the security of the mortgage.
- \* We worked hard last year but for little reward.
- \* We are a happy team of Managers at Chief Office.
- \* The Society is a good employer but I feel their attitude is hardening with a resulting drop in morale.
- \* We are not in the business of making people happy - it's not a stimulating organisation,

Proposition 3 - Work Relationships.      The creation of support, trust and respect is a direct result of the effort put into fostering good personal working relationships.

Related Staff Comments:

- \* They won't let us see the questionnaire results if they are not what they want to hear.
- \* Managers have to manage but letting people have a say and listening and sometimes acting on what they say isn't losing control - it improves it!
- \* Unless you trust and respect your Executive it is difficult to be honest with them. Past experiences with them determine this.
- \* I don't believe in playing one side of the Executive off against the other as some people do.

e) Outcomes

Proposition 1 - Level of Efficiency. In view of the discrepancies disclosed between the claims to efficiency and the realities of performance, the efficiency claims may require modification.

Related Staff Comments:

- \* I've visited a lot of Societies and we are more efficient than most: they come and look at our systems.
- \* They seem to have plenty of money as they throw away booklets and reprint them like they are going out of style.
- \* You should have seen the mail drop and advertising display foul-up at the opening of the new Agency in my area.
- \* Is the C & G succeeding despite itself.
- \* They had a messed up bank tape of interest accumulations that the Section Leaders in Investments hadn't been told about so our frantic calls to them about customer complaints were dismissed as Branch stirring.
- \* The terminal rejected a £150 Savings Builder opening account. The Programmer said it was because £100 is the limit but, of course, this had been changed on 1st May, but they weren't told to change the programme

Proposition 2 - Public Image. The Society's public image may bear little relationship to how it sees itself.

Related Staff Comments:

- \* Our brochures, sometimes even the new ones, can be misleading and out of date.

- \* A public survey of our image would be interesting - in Cheltenham I don't think we are as highly regarded as they like to think.
- \* Of the 7,000 arrears letters that went out recently (for arrears concerning relatively small amounts ) we received 3,000 letters of complaint and Lord knows how many phone calls to Branches.
- \* Our advertising and display is not up to much and doesn't help our image.

It can be seen that the preceding results are an expansion of the opinions and feelings I expressed in my initial report to the Managing Director (Appendix 6-4). Perhaps my supervisor's assertion that you can rumble any situation such as this within 20 days is correct? In the light of subsequent findings and in particular the outcome of the executive reaction interviews I'm not so sure as will be seen later in Part 4.

CHAPTER 10. QUESTIONNAIRE SURVEY.

The questionnaire to the Controllers/Managers and to the Branch Managers both arose from a desire to try and quantify and validate (to some extent) the propositions developed from the interviews as stated in Chapter 9. As noted earlier, the Cashiers questionnaire was initiated at the request of the Managing Director who saw feedback from this level being an important factor in the investigation.

In the table shown on Appendix 10-1, I have indicated the relationship between the propositions and the questions used to test them in each questionnaire. Not all propositions can be directly related to the questions asked, some questions related to more than one proposition and not all propositions were tested. Given the Managing Directors aversion to questionnaires (expressed to me in the interview noted in Appendix 6-4) the ones developed and used were as long and as involved as I dared make them as distribution was dependent upon his approval. I must admit to the exercise of structuring questions pertinent to propositions to be tested at each hierarchical level being a frustrating experience. The final questionnaires were less than satisfactory from my point of view even though pilot testing showed them to be acceptable from a respondent perspective.

Appendices 10-2, 10-3 and 10-4 show the questionnaires with the composite results added in the form of frequency distribution and means. At the end of each composite set are the comments made by staff in response to the open questions. Response rates are shown on the questionnaires but a more detailed breakdown was attempted for cashiers (responses by group, service length and type of employ

ment) and this is shown on Appendix 10-5. The groups (1, 2, 3 and 4) noted for Branch Managers and Cashiers are those shown on Appendix 8-2.

Appendix 10-6 is an attempt to illustrate on one display the whole picture in regard to composite results and the various group totals which it was possible to calculate. These provide some interesting comparisons - Group 3 Branch Managers versus Groups 1, 2, and 4 Branch Managers for example. Appendix 10-7 is a set of figures showing the result comparisons of Controller/Managers by function. This was not shown to the Managing Director because it shows individual ratings when only one person works in a Management position in particular functions.

The remainder of this Chapter describes my initial reactions to survey results in relation to the propositions that sponsored the questions asked. At this point no detailed interpretation will be attempted but a number of the issues raised will be considered in some depth in Part 4.

a) Structure/Boundary Management

Proposition 1 - Computer Influence. Whilst the Branch Managers seem to see a greater degree of influence more evenly spread than do the Controllers/Managers there is a fair amount of agreement between the actual rankings - except for the Investment Department which is ranked very highly by Branches but relatively lowly by Chief Office. The proposition does not seem to be supported as Computing/Systems does not occupy the

high place indicated by interviews. Perhaps the questionnaire result is telling me what Managers expect that I and the Executive would expect rather than what is!

Proposition 2 - Task Objectives Balance. The balance between servicing customer needs and achieving administrative efficiency is biased slightly in favour of the customers. However, the frequency distributions are level enough to indicate that perceptions vary considerably and are probably a result of people's experience of coping with the balance. Things are not as bad as stated in interviews, if responses reflect accurately how people feel. It seems that the primary task has not yet become lost from sight behind the mass of administrative procedures.

Proposition 3 - Chief Office/Branches Co-operation. There is a strong indication from the results that there is misunderstanding and strain between Chief Office and the Branches. Many comments made in answer to the open questions detail these problems. It is interesting to note that the Branch Managers consider that they have a good understanding of Chief Office operations - Cashiers are must less convinced of their knowledge in this area.

Proposition 4 - Marketing/Personnel Influence. Both Marketing and Personnel and Training do rank low in influence but Marketing suffers less in the ratings. Perhaps Marketing is affected by the low ratings given to advertising and display. Personal assessment, the foundation process of most personnel and training programmes I am familiar with, only rates just above the

television advertisements in the usefulness rating by Branch Managers. The incumbents of both functions rated themselves lower in influence than the composite rating given them by their peers.

Proposition 5 - Differentiation/Integration Balance. There was no direct question on this proposition but inferences can be made from the related questions which refer to the proposition. Individuals appear to me to be more influential than groups, management style is geared more to a directive than a co-ordinative approach and the transmission of technical information across Departments and Branches is shown to be less effective than that moving up and down. This would all tend to point towards less concern for integrating activities than may be needed or desired by staff.

Proposition 6 - Job Objectives. Branch Managers seem to have no doubts about their objectives and role but Controllers/Managers are less sure with four of them giving a 2 rating on this question, even though the mean is 3.5. The questionnaire results indicate that less problems are experienced with objectives than do the interview comments, an example once again of the apparent anomaly between overt and covert opinion.

b) Management Style/Method

Proposition 1 and 2 - Decision Making Levels and Locus of Power and Influence. There seems no doubt that in this case the propositions have support - power and control rests firmly



at the top. The high rating given to the procedure manual by Branch Managers and by Cashiers shows one means by which control is maintained. Supervisors, Section Leaders and Graded Staff (as represented by the Consultative Committee) are clearly at the bottom of the influence scale. It is somewhat disconcerting then to see the high rating given by respondents to the amount of authority and autonomy they see themselves as having and to find that they do not see themselves as having to conform rigidly to rules and regulation.

Proposition 3 - Manager Skills. Results indicate that the management skills required are perceived to have been fairly well acquired by respondents. The lowest ratings are given to people management and planning for change, whilst Branch Managers are thoroughly convinced of their promoting and selling expertise.

Controllers/Managers seem most satisfied with their skill at task and procedure management, which may be related to the emphasis placed on systems and their operation at Chief Office.

Proposition 4 - Executive Influence. There is no direct question of this proposition but question 2 in the Controllers/Managers' questionnaire is related to it. It can be seen that the executive "group" is certainly influential but the wide variation in the ratings given to individual members of that group causes speculation as to the power balance between them, the way in which this balance affects executive group and individual operation and how it affects subordinate behaviour.

c) Operations

Proposition 1 - Communication. The proposition seems to be supported by questionnaire results. The Branch Managers are happier about the information they get to do the job than are the Controllers/Managers. It is interesting to see the different relationships expressed by the two groups in response to the question on job information. Managers/Controllers - quantity low: quality/usefulness high. Branch Managers - quantity high: quality/usefulness low.

In the question on communication the answers tend to suggest that horizontal communication is less effective than upward or downward communication. Working relations seem better than I would have thought given my propositions b) 1 and 2.

The Cashiers in response to their major question on training obviously feel happier with learning under supervision and learning on their own rather than undertaking training programmes sponsored by the Society - perhaps a response we should expect given many people's aversion to formal methods. The induction package and the monthly training packages would appear to be unsatisfactory in their present form as means of downward communication (or perhaps it is how they are used at Branch level which creates the problem). Many of the comments made by Cashiers relate to the lateness and poor quality of information they receive prior to new product launches or procedure and policy changes. There was some indication of variability in the exposure of various courses and packages

to different Cashiers at different Branches. Some non-participation is expected (e.g., of a cashier with less than one year's service on a refresher course) and some isn't (e.g., of a cashier with less than one year's service in doing the induction course).

Proposition 2 - Conflict Resolution Methods. The results do indicate that (as seen by Controllers/Managers) the main method of resolving conflict is force from above, even though this is considered to be the most undesirable method. A fair amount of withdrawal behaviour is also shown and there is not as much confrontation as desired. Members of all Departments were consistent in their agreement of the differences between desired and actual behaviour, although some areas appeared more affected by the use of power/force than others (e.g., Personnel/Training, Systems/Computing and Finance/Accounting).

Proposition 3 - Personnel Policy Application. No direct or indirect questions on this proposition but the highly individualistic approach to management may also spin off into the application of personnel policy.

Proposition 4 - Training and Development Levels. No direct or indirect questions on this proposition. However, the type of question asked of Cashiers on training would have no equivalent on a general basis at levels above Assistant Branch Manager.

d) Climate/Conditions

Proposition 1 - Job Satisfaction and Efficiency. The results of the specific question asked about the relationship between the emphasis given to efficiency as against job satisfaction within the Society adds weight to the proposition's validity. Job satisfaction as expressed by the Controller/Manager group is less in each period to that expressed by Branch Managers but the rating moves up over time for Controllers/Managers and down over time for Branch Managers.

Proposition 2 and 3 - Acceptance of Work Conditions and Work Relationships. The low rating by Controllers/Managers to the question on morale points to some support for the propositions. Many of the comments made at interview by staff from all levels in regard to motivation and personal working relations don't seem to be fully supported by the results. Again, the formal results tend to contradict the informal message, i.e., the manifest expression of information for formal presentation doesn't always support the underlying expression of information for informal presentation.

e) Outcomes

Proposition 1 and 2 - Level of Efficiency and Public Image.

No direct or indirect questions on these propositions.

With all the information now available and partially analysed and many tentative thoughts milling around in my mind or written down in either reports or field note form, the stage is set to try and make sense of the situation. Part 4 describes the final analysis and interpretation of results and the picture that emerged of the Society after the process of synthesis which followed.

PART 4 THE ENGLISH STUDY - INTERPRETATION

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# CHAPTER 11. THE EFFECT OF HISTORY, CONTEXT AND STRUCTURE.

The Society has made great strides forward over the past fifteen years with assets multiplying by a factor of 10 over that period. This sort of growth has been experienced also by a number of other Societies (either individually or as a result of mergers) although some have lost ground over the period. It is significant that total Building Society deposits are larger than the 'big Four' banks can show. In fact, out of every £1.00 saved 50p. now finds its way into a Building Society (German 1980, Fleet 1980). In all, the Societies control 25 million savings accounts and 5 million mortgages. The C & G has managed to retain much the same relative position in terms of market share since the early 1970's. Its management service ratio is better than its nearest rivals and it seems to cope with similar work loads with less staff - this is attributed to the labour saving qualities of the computer and to other efficient services such as typing and deeds handling. If the efficient use of resources and a constant upward movement assets and reserves are the only measures of success, then the C & G can be counted as a successful Society.

The organizational structure is relatively simple and division of work at Chief Office is based primarily on the functions to be performed whilst the Branch network structure has a geographic and economic rationale. From an examination of the organizational structures developed over the past five years (see Chapter 8) it appears that the personnel function and the marketing function have been the most difficult to place in terms of appropriateness to task and logic of situation. The re-organizations that have occurred over these

five years have tended to narrow and heighten the hierarchical pyramid, thus increasing the length of the communication line from Managing Director to operatives. In the mortgage and finance areas for example, there are now seven levels, whereas in 1975 there were five in each. Corresponding with these structural changes over this period there has been a transfer of many day-to-day executive powers from the Managing Director to the now Deputy General Manager. Thus, in 1975 nine people reported to the Managing Director and now three are directly responsible to that position. All these changes have taken place without significant changes in the establishment at Chief Office (1975 - 184 and 1980 - 210).

What has happened then is an alteration in the relationships between essentially the same people (particularly at Management/Supervisory level) and a tendency towards tighter supervision and control accompanied by a marked increase in procedures and rules. The current over-all span of control (calculated by including Supervisors and Section Leaders with Executives, Managers and Controllers, but excluding BDM's from the group) is 1 : 3'6 and this is an indicator of close supervision of people. Using data supplied by Child (1977) the number of levels at the C & G Chief Office relative to the number of employees (200 odd) is way above the average which for that number of staff he quotes as 4 or 5.

I think that these moves towards a tightening of control (which may not be recognised by the Executive, or even accepted if pointed out) have been brought about by the combination of factors outlined below:

- . the natural disinclination of the Executive to integrate operations via a Committee or group

meeting system and to rely on one to one coordinating mechanisms (phone calls, memos, two-people meetings, for example).

- . the long history of relative success of decisions made by the Executive.
- . the fairly certain environment in which the Society has been working - certain in terms of market definition, competitor strategies, industry operating guidelines and objectives and little competition from financial institutions other than building societies.
- . the long service of most of the staff in the upper five levels of the organisation with the consequent drift towards conformity with executive control measures.

Although the structure looks relatively simple there are some observations that need to be made about the structure/task goodness of fit and the apparent rationale for the organization that does exist.

There are three major functional divisions which could be classified as Financial, Operational and Premises. The first two, run by Vose and Longhurst respectively are by far the most important in terms of influence, power and contribution to enterprise goals, with Longhurst's area taking precedence over Vose's area on these three criteria. The



third, run by Knowles, is a function which I saw as not being misplaced but lacking in responsibility for the authority given it (separate functional status and reporting to the Managing Director). Despite this, the groupings are not illogical given the task of a Building Society. It is the grouping of activities below Longhurst which do not relate to putting together those departments which are operational separately from those which have a service and/or control role.

The operational functions (branches and branch administration) are divided so that branches work comes under Longhurst's control and investment and mortgage work comes under Burden's control. It is interesting to note that this came about only during the last re-organization which was accompanied by the elevating of Burden to AGM status. Service/control functions like personnel, marketing, management services and EDP are also split between these two with personnel and marketing under Longhurst and management services and EDP under Burden. The elevation of Burden from his previous position as EDP manager could be seen as further evidence of the continued importance and dominance of this function in the Society. It appears that there is a history of such re-organizational moves which are not related to task logic but are designed more to improve management relations or provide for management succession. In the current structure there are examples of heirs apparent and nominal jobs.

The young Accounting Manager whose appointment was made not only to strengthen the department but also to provide for management succession; the Assistant Secretary (Finance) who appears to be heir apparent to Vose and Burden who seems destined to take over Longhurst's current role; the two Area Business Managers and the Controllers whose appointments relate more to rank and prestige than actual jobs to be done - these are the most obvious examples to be seen.

Thus there is, to some extent, a personality structure apparent which does not always reflect the requirements of the tasks to be performed. This is not to say that enterprises should be entirely free of personality motivated positions or moves (the impossible dream) but that such positions or moves should not dominate the task logic inherent in the system. Who gets on with whom is a poor substitute for what is the job and who can do it best as a criterion for transfers and promotions.

These internal changes probably have no major impact on the long term operation in times of relative stability and predictability. However, it is likely that building societies in the coming decade will face a less stable and predictable environment than they have come to expect. Other financial institutions (Banks in particular) will be challenging them in areas they have traditionally viewed as their monopoly (Fleet 1980, German 1980). Whether a structure designed around personalities and operating in a highly formal and centrally controlled manner will be as flexible, responsive and innovative as would seem to be required given the future situation, appears unlikely.

CHAPTER 12. THE SOCIETY AND ITS UNDERWORLD.

I was fortunate, towards the end of my stay in England, to have the opportunity of presenting the results of the project to my supervisor's seminar group (of which I was a member). We had discussed progress before, both in and out of seminars, but to all intents and purposes this was the grand finale. My final report had been submitted to the C & G, I had interviewed Stow and Longhurst to ascertain their reactions and Geoffrey Hutton and I had been through a final contract closing interview with Stow.

It became obvious during my presentation and the concurrent discussion that many vital points had not appeared in my report and had not been discussed with the main person involved - Stow. Some of these points, particularly in regard to structure, have already been noted in the previous chapter.

I was frustrated that many issues and ideas had not been worked through with people at the C & G and at our last meeting with Stow it was clear that he was disappointed (although he expressed satisfaction with the project) that his real concerns had not been touched on. At that time, 24 October, we felt that we had no alternative but to live with the situation as a closed book. I had not reckoned on Geoffrey's concern both for myself and for the project and was surprised but delighted when he rang to inform me that he had arranged for us to see Stow again on November 7, two days prior to my departure for home. For good measure he had produced a set of notes outlining his perception of the C & G based on our seminar discussion, and which he proposed

would be the focus of our talk with Stow - given that Stow, when we met, went along with our request to "tell it as we see it, no holds barred". Much of what follows in this Chapter comes from these notes and I am using them unashamedly as a classic illustration of the integrative analysis which Geoffrey tried to instil in his students (not so successfully in my case, unfortunately). My final report also provided material for this Chapter, particularly the insights into the Society's underworld. In fact, this whole interpretation showed me the advantages of pairing and sharing in organizational analysis.

When we go beyond the structure and look into how the systems work and why, there appear to be two key hinges to the efficiency of the operation. One is the relationship between Branch Managers and the Investment and the Mortgage departments and the rules and procedures that attempt to bind them together. The other is the work of the Branch Managers in their locations.

Even though the Branch Administration Manager and the Business Development Managers provide some links between Branches and the two operational Chief Office departments, much contact is made directly (both ways) without their knowledge. The Branch Managers must have a great deal of local knowledge and spend most of their time getting business in liaison with many other people (including competitors) in a complex process of give and take, sharing, negotiating forward mortgage deals (against the rules of course), and generally working the local money system. Close liaison with nearby peers is also practiced in order to see how the latest rule or procedure is being

"adjusted to" and what is "known that I don't know".

Looking at these hinges, the rules and procedures of the Society and the structural points made in the last chapter, some anomalies immediately become apparent. Despite the obvious need for a single management system, the Branch Managers (including Branch Administration) and the Investment and Mortgage Departments operate under different executive managers and not as three connected core operational departments. As well as being under divided control they are grouped with activities which are of a supportive or service nature. This confusion of management boundaries and task boundaries, or cross-cutting as it has been called (Hutton, 1972), leads to some of the trickiest and commonest problems of confused authority and accountability. Many illustrations of such confusion were evident in the interview data.

In regard to the rules and procedures, some are more obstructive than facilitating and in order to get the work done, people break them. Many instances were found of non-conformity with rule and procedure, especially amongst Branch Managers who dived not only with the local money market but also with the C & G control system. Some of the more successful Branch Managers were the ones who openly flouted the "C & G line" and they got away with it because of their business getting success. And yet unsuccessful Branch Managers were usually charged with non-observance of rules and procedures as the reason for failure. So it is not a question of failure resulting from non-conformity, everybody breaks the rules, some successfully and some not; it is the rules and procedures which are failing when demands are made

that they be obeyed without question. It is as though action and thinking have been hierarchically differentiated (Klein, 1976). This is particularly galling to people when the rules and procedures which are initiated from the centre make for distractions and obstructions to Branch Managers (and others) doing the business of the Society - the complaints in regard to lack of liaison do seem legitimate.

It is on this issue of control interfering with performance that many grumbles are based. Despite the apparent nostalgia for the old days of small personal groupings and less formalisation it is recognised that times have changed and those days have gone. What concerns people are the problems generated by the friction between the system which is carrying out the work from day to day and the system which is controlling the work. The C & G is efficient only to the extent that the underworld supports the manifest formal structure and control systems and overcomes the obstructions they place in the way of smooth daily work flows and personal relations. The view from the underworld is in contradiction to the view from the formal system. The manifest and formally expressed view (from all levels of the Society) is that "things are going pretty well in this efficient Society which provides clear direction, good wages and excellent working conditions". Ostensibly there is acceptance of the status quo and much is done to perpetuate the myth that there is no damaging conflict, things don't go far wrong, people have clearly defined roles and get fair treatment, and those at the lower levels are happy receiving direction on how to do their job. The tendency towards acting "as if" (Bion, 1961) operations were smooth and peaceful came through most clearly when people, particularly at

the upper levels, were asked to commit their views to paper. The view is often quite different to that expressed in informal discussions as can be seen in Chapter 10.

Emerging from the interview comments and from an analysis of the apparent anomalies in the questionnaire results is the underlying or suppressed view that there are many doubts about efficiency; that people are concerned about their lack of power to influence events affecting them; that people's needs and desires are of little relevance in the scheme of things and that nothing will change in these areas whatever they do. I do not think that people set out to confuse the issues deliberately, it is just that they are wary of presenting in a formal way information which would perhaps upset the peace and calm they have come to see as the executive expectation of the situation. It could be that people are denying the reality of things which they see as not fitting into what they perceive as the executive framework of operations. They are saying in effect "we will appear to be as they seem to want us to be". Meanwhile they go about getting the job done despite the facade and the obstructions and the pressures.

This contrast between the interview findings and the questionnaire findings was a key outcome of the research. The fact that the first showed the workings of the underworld whilst the second picked up the ostensible manifest official viewpoint has important implications for those relying on the interpretation of results from questionnaire based research. Whilst it may not always be the case that questionnaires are answered with such a bias (consciously or

unconsciously) a strong case could be made for insisting that questionnaire results are checked out by other less formal methods - interviews for example. Despite this there is a general feeling that the Society has concentrated on task, procedures, authority and efficiency to the detriment of people and their requirements. They are ignoring the people system whilst concentrating on the task system (King, 1976).

The main issues in this regard concern the obvious strains in management relations and the question of management succession, particularly for Stow's job upon his retirement in 18 months time. The small management group (some thirty people) have grown up with the Society over the expansion period (1970's) and as mentioned in the last Chapter, have an average length of service of twelve years. They have had a long period of learning to live together and are not fast movers or go-getters. Personal inefficiency and personal conflict cannot really be resolved by transfers within such a small group or by sacking which goes against the culture and tradition. In these circumstances it is incumbent upon the Society's executive to handle conflicts and difficulties and the management succession issue squarely and effectively. There is a great deal of evidence that this has not been done and many of the grumbles in interviews relate to the way management relations are handled to dictatorial management styles and failure to listen or to involve managers in policy and procedure matters.

This raises two interesting points when set against Stow's judgement that things had improved after he had 'spoken to'



Longhurst several years ago about his way of handling people. (Stow had, after all, brought Longhurst on to the point where he was very important to the operations of the Society.) A similar situation had arisen with Burden, whom both Stow and Longhurst had brought on. One point is the awareness of the problem on Stow's part, and the belief that the necessary development can be achieved by the individuals concerned when the need is pointed out. The second point is the tendency for the 'office gossip' (underworld) to lag behind in the recognition of current performance - reputations are persistent.

In harking back to my original talks with Longhurst and with Stow at the contract stage of the project, it is little wonder that we experienced problems identifying the research/consulting area. Longhurst stated that he wanted a measure of staff morale. Stow, who did not want to stir up unrest by probing industrial relations, selected communication as the area most likely to need improvement in what had been a very rapidly growing branch organization - up from 8 to 120 branch offices in twenty years.

It is because our frames of reference (Klein, 1976) were different that my final report was disappointing and frustrating for both myself and for Stow and Longhurst. I pulled my punches in the report and subsequently in the interviews (described in the next Chapter) because I felt I had no right to raise sensitive areas like succession and staff views of Longhurst because it wasn't part of the contract. Fortunately, due in no small part to Geoffrey's intervention, all these issues were raised at our eleventh hour meeting with Stow. In summary, these key perceptions were as follows:

That the underworld or hidden talk of the Society carries the clue to where the efficiency of the Society lies and that this was picked up by the interviews whilst questionnaires mirrored the 'official' view.

That because the tri-partite relation between Branches, Investments and Mortgages departments is not under a single operational command, people have to cross boundaries and that in order to work the system people have to bend the rules.

That because priority has been placed on the growth of the control system (procedures and computing) there has been a weakness in the development of the effectiveness of working relations between managers. Procedures and EDP systems cannot substitute for people relationships and these must occur (at whatever risk of executive displeasure) if the work is to be done.

That problems of management relations and succession have been dealt with largely by structural means (creating posts and altering charts) and this has mediated but not resolved the problems, in particular the serious one of succession to Stow given Longhurst's people relations difficulties.

In the next Chapter which describes the executive reaction to my final report and final 'no holds barred' interview, many points given above take on a new perspective when viewed from the client's side.

### CHAPTER 13. EXECUTIVE REACTION TO THE STUDY

By executive reaction I really mean the reaction from Stow and from Longhurst because I never had direct access to others or the executive to check their reaction. Some of their responses were relayed to me by the two top people but it was very limited. What follows is a description of the interviews (in the sequence they occurred and based on my field notes) interspersed with some interpretative analysis by Goeffrey and/or myself, some of which has been included in Chapter 12 but in the derived and not original form. Also included are the comments made in a short interview with Ivor Davies held after our penultimate interview with Stow.

Interview with Stow on 16 September. I think he was disappointed with the report as his stance was quite defensive - although he said there was a lot of food for thought in it. He doesn't want me to meet with the executive group and as far as I can gather, only Vose and Longhurst have seen the report. He doesn't want the composite results sent out but agreed that anyone who wanted to see them could ask him and he would be happy to give access. Security bothered him and he also thought that the mortgage administration people might worry if they saw their low influence rating. From here on he persisted with picking on bits of the report and attacking them.

He began with a query about Committee use in Australia - do we use them a lot because I seemed to be recommending them. No was my reply, I'm not advocating committees but the use of some mechanism for better integration of Departments and peers. His attitude, and words,

stated that each Department had a job to do and didn't need to know what the others were up to - except for example on new Branch openings when Personnel and Branch Development needed to liaise; such occasions would be rare.

He became very concerned about six managers saying that the executive were autocratic. In his words, he didn't mind being labelled as paternal but autocratic irked somewhat. He seemed to get some satisfaction from the fact that fifteen Branch Managers said management style was participative and, in effect, said this outweighed the thirty-seven who answered in the autocratic or paternal slots. After some hedging he began homing in on some of the functions where managers may have given such a rating and it became a little tense as he got close to naming people and departments - he really wanted to know who those six were!

In the area of perceived lack of communication upwards he wanted to know where it was causing most problems, i.e. between what levels. From his point of view he was convinced that no problems existed between himself and his subordinates - his relationship with them was very open. If it was at supervisor level then he felt that a seminar on human relations might help (my reaction - God help us!) My overt answer was that the block that counted was between management and executive.

On another tack he returned to the style issue and claimed that they

can't be autocratic because of the rest areas and flexible coffee times they have set up. My reply was that harsh discipline wasn't the problem but lack of involvement in jobs.

In regard to influence and pressure he said that he would expect his managers to exert these (he didn't like the term 'force'). My response was to say that they could not help being influential, it was a question of the type and quantity about which people expressed concern.

Interpreting some comments in my report he wanted to know if I meant that all other Societies are decentralized, less formal and therefore more successful. No, I replied, I'm saying that the future could require a different sort of organization and operation to your present ones - I didn't know about other U.K. Societies' structure and operation.

He could not understand why I had said that marketing and personnel were obviously hard to place as they had moved in a reporting sense quite markedly over the years. He conceded that marketing was a problem area but claimed it was the man concerned (I'm too soft he said, I should have sacked him). On personnel we had quite a discussion on its role. He sees it as recruiting, selection, training, IR and compensation. I see it as this plus advising executive on future staff needs, organization development, climate and so on, i.e. as a diffused specialism rather than a bounded specialism (Klein, 1976).

We then entered the field of procedures. I don't like the words 'proliferation of procedures' you use, he said, it implies wrong policy. You must have procedures or you have chaos. My point was that you must have them but you can strangle the system if they are overdone or used autocratically. People are saying that they do not get enough chances to input ideas to procedure development - after all, they know more about the operational end than managers. You are implying, he said, that formalization is not good, but to me formal organization is the only way, i.e. organization implies formality and you can't have such a thing as the informal organization, it's a contradiction in terms. No, I replied, organization is relationships and these can be formal or informal. You have an informal or underworld organization whether you want it or not and it has a big impact on your operation. Are you saying, he said, that we are not efficient when you talk about this manifest -underlying thing? I'm saying that you may not be as efficient as you say you are, was my response.

But you can't let people run the Society; you can't listen to everyone or let them all do what they want, he began again. Is our training no good and our selection procedures wrong if our managers can't create a good climate (whatever that jargon means!!). People want to identify with a successful Society, that provides the climate as I see it. Do you want us to go about being nice to people, is that it?

In lieu of coping with all this I tried to suggest that being nice wouldn't help - good personal relations doesn't necessarily equate with a soft approach. Often it can involve a lot of trauma if conflicts are aired and views shared with a view to improving under-

standing.

Well, to get back to the involvement, he started to backtrack, I've reduced the pressure on myself by handing over duties to Longhurst and I've reduced pressure on executive by giving Vose young Andrew (Kidd), and Longhurst, Burden. And the procedure manual gets a high rating from Branch Managers so you can see how important to the operation (or to their careers, I interposed) it is. Of course they like the Regional Conferences, a good chance for a beer and a yarn.

When I asked him about his reaction to the report he said he was still worried about the people who thought of the executive as being autocratic. He did want to know if I had enough material for my research - plenty thanks was my reply!

Interview with Longhurst on 23 September. His opening comment was to tell me that he had gathered that I was disappointed with Stow's response (did Davies tell him because I had told him?). As far as I know, he said, Stow, Vose and I are the only ones to have seen it and we have not discussed it together. You've

gathered, was his follow-up comment, that we have a communication problem at the top! It is possible, he continued, that you saw what you wanted to see, i.e. a self-fulfilling prophecy in regard to this overt-covert idea. I conceded that I knew I'd find it but certainly not its nature.

In regard to the lack of liaison and horizontal communication generally, he said that they tended to operate by giving each person their task (which was part of the total) and letting them get on with it. Forget the other fellow, do what you have to do to the best of your ability and then you're in the clear. In reply to my findings that indicated it was a problem causing policy he said it wasn't because their Departments were mutually exclusive when it came to operations - I had to say at that point that I didn't believe it.

It is obvious that he still has the feeling that my report was dictated by Davies. I strongly denied this and we became involved on the issue of competency. Personnel and Marketing are not strong areas he said, I don't let them make decisions. I get them up here and when I think they will do as I would do I let them get into action. Morrell is a personality problem too, he added. Despite what you say, I replied I had adverse comments on the operation



from a great number of people, even from those in areas you consider to be staffed by competent people.

Those people down below, he carried on, don't know how difficult the current climate is and they may not be as secure as they think. I think they do, I replied, but if they don't why not tell them? Well, tell me honestly, he said, is morale high or low and what can we do about it if it's low? My evidence indicates that it is low, I said, and to raise it will require a major change in the way top management handles the middle management relationship.

On the question of poor relationships between Branches and Chief Office he felt that I was wrong. How much does each group have to know about the other and will problems be fixed by telling them - I don't think so, was his opinion. In regard to the BDM - BAM - BM relationships he said that it works better than it used to and anyway, they have job descriptions for each role. It's not me telling you they have problems, I said, it's them telling you.

They think I'm a bastard for changing the staff mortgage terms, he stated, but it was financially necessary. (Did they know that, I thought). His final comment prior to a hasty end to the interview as he was wanted urgently by Stow was:

"How do you make them happy anyway?"

Some Notes made During a Discussion with Geoffrey Hutton after the above Interviews. It's as if they are treating the report in the same way as they treat ideas and views from subordinates - denying

that they can have rational and sensible views. They seem to be interpreting my report as a plea for a 'soft' approach which of course it isn't, but that's what they see as the only alternative to a task approach. A failing of the report was that it did not make clear the distinction between decision making and the information for making them. The real issue is that the executive are not tapping the internal intelligence available, it's not that they should be pushing major policy and procedure decision-making down the hierarchy.

The interesting point is, can the Society operate any other way given the nature of the task? Is there, in fact, an organization choice? The C & G is a calculative organization and maybe requires such direction given that the underworld operation provides both a safety valve and a means of coping with such direction. In some ways, the worst thing to do might be for people to open up, be frank and challenge the system. It could destroy the balance achieved over the years and also the efficiency generated by this balance.

What does seem obvious is that it is an organization of doers rather than thinkers or questioners of why is it so and thus planning is not one of their strong points.

After discussion of the above points we engaged in some psychotherapeutic postulating (along the lines of Klein, 1934) which grappled with the idea of the executive image of itself being projected down and being introjected by the staff. The staff then engage in splitting by projecting upwards the introjected top view but projecting horizontally and outside the organization, the reality they experience.

In Geoffrey's view, the problem was that there was no operating problem to tackle - the shoe was not pinching so the report was easy to ignore or dismiss. Their brief, in effect, had been "look at us and tell us what you see". Thus the result was less than satisfactory to both client and researcher/consultant.

De-briefing interview with Stow on 21 October (accompanied by Geoffrey Hutton. Geoffrey began by explaining his deduction that Stow was not surprised by a lot of what I'd said but that what I'd said which did surprise him he didn't believe. Stow did not take this up but launched into a presentation of the role of BDM's, the fact that he considered that they were decentralized and that regionalization was anathema to him. He also stated that one of the executives who had read the report said it was jargon and academic and showed I did not appreciate what business was all about. Geoffrey believed that some of the rumbling was regret at the passing of the 'good old days' of personal contact with the top. Stow agreed that he felt the loss too and went on to bemoan the fact that his procedures man (Morrell) sometimes makes changes for the sake of change.

Stow noted that he would be gone in 18 months (on to the Board anyway) and we let it pass which was unfortunate as it could have led to the whole issue of succession.

He still won't accept that they are not extremely efficient and that that is what counts. In addition, he feels I am advocating committees and participation which is not what he wants.

Only one Manager and two Branch Managers responded to our call for them to look at the results (under Stow's auspices) and he interpreted this as lack of interest which made him happy he hadn't sent all results out.

He seemed happy enough with the exercise and on a final note said that he may re-institute Department Manager meetings.

Meeting with Ivor Davies shortly after above interviews. Ivor expressed disappointment at the lack of feedback on the report but said that it reflected the C & G attitude so he wasn't surprised. He is quite concerned that he will be identified with the views I expressed, i.e. that we colluded on the project. He thinks that group meetings may have engendered managers to respond but unlikely they will respond individually. He suspects that there may be little changes made over time but because I made no recommendations major change would be even less likely.

My parting comments related to my frustration at not being able to work through the points made in the report and to confront (and be confronted by) management and the executive group on the points.

Final interview with Stow on 7 November. This was the meeting arranged by Geoffrey to 'clear the air' as it were. It proceeded with the majority of input from Geoffrey (with occasional support or explanation from me and response from Stow) and, in essence,

he spoke about the issues which form the substance of Chapter 12. The interview began with the point about sensing that Stow was disappointed with my final report and that at our seminar we had worked out an interpretation of the Society which looked important. Our problem was that we haven't been asked for it and we're hesitant to offer it but we will and Stow can stop us at any time. Stow warmed to this and invited us to go ahead and, as well as taping our discussion, obtained a copy of Geoffrey's notes. We spent some time on the succession issue and Stow said that he would probably pick Longhurst though he is certainly aware now of the personal relations problems involved. In view of our comments on the division of operational tasks it is interesting that Stow questioned the competence of both the Investment Manager and the Mortgage Controller, who, he said, had certainly reached their maximum level in the system.

At the conclusion of this meeting I was very much happier about the project and I'm sure Stow had got a lot closer to the issues which were his real concern and had obtained much useful information to help him in his management task for the remainder of his tenure as Managing Director.

I left for Australia two days later.

PART 5. THE AUSTRALIAN SOCIETY REVISITED

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CHAPTER 14. A RETROSPECTIVE UNDERWORLD ANALYSIS.

In the study of the Australian Society described in Chapter 3, brief mention was made of the doubts I had about the programme as I neared the end of my contract. In particular I was concerned that my prescriptive approach had led to a concentration, in the early phases, on what I perceived to be wrong and how it could be put right. This, I felt, was at the expense of understanding why things were creating problems and the nature of the Society itself. Did I in other words, really understand the social system and the forces at work within it to enable my approach to changing it to be successful? It is clear to me now, in the light of my experience over the past year, that my consulting based report to the Building Society would have benefitted by the addition of an interpretive analysis. This analysis would have given them a better insight into the origins and operation of their social system and the influence network of the people in the system. With this insight they would have had a greater awareness of the difficulties of change but would also have been better equipped to initiate and progress the change process.

Having failed to do that at the time I felt that it would be a useful research device to perform it in retrospect and to do so prior to my return visit to them. The analysis that follows uses evidence included in my consulting report (Appendix 3-3) along with my recollection of the Society during the period covered by the report, i.e. March - April 1978. That I will, inevitably, see past events in terms of the present will colour this analysis but I have to accept it as a consequence of the method. It is

written as if produced for inclusion in that report of April 1978.

During the period 1969-1978 the Society experienced a very rapid growth with assets multiplying by a factor of 29 and staff numbers increasing from 5 to 200. It has thus passed from being a small enterprise to being a medium sized enterprise (in Australian terms, Johns, Dunlop and Sheehan 1978). This growth has been accompanied by an increase in specialization and in differentiation of functions and in levels in the hierarchy. Corresponding to this growth has been an increase in problems of integration and communication. The relationship between enterprise growth and problems of co-ordination is well documented in the literature (Emery 1969, Rue and Byars 1977, Dale 1969, Brinkerhoff and Kunz 1972).

With relatively slow growth such problems can be more easily handled but in the case of Home Building Society the growth has been so rapid that neither management nor staff have been able to cope with the problems generated.

People at middle management level have arrived there simply by being part of an earlier, less complex system and thus available. In the earlier system they usually occupied a clerical role. The top two executives (General Manager and Assistant General Manager), both professionally qualified and both the longest servers in the Society have had growth as their major concern rather than coping with the co-ordinating problems emanating from that growth. Other executive staff are in their positions more because of their technical skill than their managerial skill. As one perceptive survey respondent put the situation:



"There are some members of management who are not really capable of handling the positions they hold - through no fault of their own. They happened to be in the right place at the right time when the Society began to grow in the early seventies. As the Society has grown the responsibilities of their jobs has outgrown their capabilities and this is now causing problems all the way down the line through a lack of good administrators."

Supervisory, clerical and operative staff have been left to deal with their jobs as best they can by a combination of 'trial and error' learning and anticipation of what they think the system demands (if they have been brave enough to assume authority not given them by management).

The organization structure indicates a major division between administration and marketing. The Assistant General Manager has line responsibility for administration and the Marketing Manager for marketing - they both report to the General Manager. However, the Assistant General Manager, because of his number 2 hierarchical position and because he controls most of the activity at Head Office as well as having strong functional links to Branches in areas of accounting, personnel, supply, EDP and loans, occupies the main locus of power. The Marketing Manager, despite nominal line control of nearly half the Society's staff (because Branch staff fall within his jurisdiction) has much less power than would be

expected. This is also a function of his greater skill as a marketer than as a manager. Thus the Society is unbalanced in the sense of the greater emphasis given to day-to-day administration at the expense of marketing and long term planning.

The problems which I have come to see as related to communication, integration and imbalances of power were perceived initially by the executive as related to failures in their personnel and training function. It was on the basis of an examination of this function (and through it, of the Personnel Officer) that the first contacts were made and, despite my pressure to widen the study (successfully it can be said) the issue of personnel and training remains the executives main concern.

Some encouragement has been given to holding inter-Departmental meetings at middle management level but they have not received enough sponsorship and support to ensure their effectiveness or continuity. Much more regular meetings are held at executive level but the outcomes of these are not diffused sufficiently through the system to assist in the establishment of common objectives. Therefore formal horizontal communication is lacking below executive level and this exacerbates the co-ordination problems. The most common expression of discontent within the Society is in regard to the wide division between executive and the rest of the staff and the resulting communication blockage.

I suspect that this gap is closely related to how the executive (in particular the Assistant General Manager) see the expertise gap between themselves and middle management. Because of the

differences in qualifications and length of service noted earlier, there seems to be a fear of passing information or authority down to people regarded as much less capable and competent to handle it. (I do not think the Assistant General Manager is as capable and competent in his job as he perceived. Certainly subordinate comments give weight to this opinion). People below instinctively recognise their limitations because of the logic behind their rise in the system and accept that 'they' (the executives) know best. As a result they are hesitant, unsure, insecure and wary. What has developed is a situation in which neither side wins, in which each side becomes increasingly polarised and in which progress towards understanding and change is hindered by increasingly hardened attitudes. There is also a disturbing set of relationships amongst a number of the executive with the Marketing Manager and General Manager at odds with each other, the Administration Manager being seen as "in the pocket" of the Assistant General Manager and the Assistant General Manager often in open conflict with the Marketing Manager.

There is no doubt that there is a great deal of scope for improvement in the personnel and training function but it is unlikely that attention to this function along with elicit significant changes in people's behaviour. The key to effective change seems to lie in further exploration of the relationships within the executive and between the executive and the middle management in order to reconcile the differences in attitude and behaviour that exist there. Until the underlying differences in perception and the antagonisms are exposed and worked through, the surface changes will only paper

over the problems with every likelihood of them having further dysfunctional effects on the operation. A closer examination of the task system and its structure may help also to expose the need for a re-organization to obtain a better match and balance between functions and objectives and the Society's overall goals. In other words both the social system and the technical system require attention by the executive if performance is to improve.

CHAPTER 15: RE-ENTRY AND REVIEW

My first contact with Home Building Society upon my return to Perth was on 20 November, 1980, when I had lunch with Messrs. Dolin and King (the General Manager and Assistant General Manager respectively). As well as giving me an opportunity to tell them about my U.K. visit and the C & G in particular, the meeting was useful in giving me access to some information on activities at H.B.S. over the September 1979 - November 1980 period. After the meeting I wrote down key points and impressions as they had affected me and the following material summarises these points and feelings and then considers other material gathered prior to my formal re-entry to the Society.

Early in the meeting Dolin stated that the year had been one of consolidation and then indicated his real feelings by stating: "consolidation is a euphemism of course!" Both men did agree that the Society needed to get up and going again in regard to initiatives begun in the personnel area during 1979. I did wonder why this need existed as the change programme should have had enough impetus to have continued during my absence.

(Postscript to this: A few weeks after this meeting I was given the report compiled by Timms, the Administration Manager, in respect of progress with the WAIT-AID plan of action for personnel and training development. The word 'consolidation' was one I used in my final report before leaving for the U.K. - Appendix 3-7 - and it appeared in the Timms report along with a list of

policies 'consolidated'. Thus it was noted that all job descriptions had been completed, the progress review and action programme had been implemented and the wages and salaries system was in operation. The impression given by the report was of positive progress with the development plans and of some innovation in the form of the beginnings of a graduate training scheme and the introduction of a career path planning exercise late in 1980. In view of Dolin's comment it seemed yet another example of the official system failing to mirror reality and the underworld being the system from which to gain valid and reliable information about the organization, its people and its performance. As it happens in this case, Dolin was representing the underworld.

To continue with the first meeting: in an interesting aside during King's absence from the table at one point, Dolin said that both Davidson and Timms had noted in their annual reports that they wanted to report directly to him and not to King. He also said that Davidson and Timms had enrolled in and commenced studies at W.A.I.T. in the Post Graduate Diploma in Business Administration whilst he was doing units in psychology at Murdoch University.

During the conversation I noted that my work at the C & G had involved an investigation of the communication system in the Society. I also mentioned the fact that Mr. Stow was retiring in a short time and this had probably prompted him to get an outsider to look at how the operation he was due to hand over (to whoever was to be his successor) was functioning.

During the whole meeting I had a feeling that there was some tension between Dolin and King and at a later meeting

with Dolin and Timms when my future role in the Society was being discussed the evidence surfaced. Dolin wanted me to investigate the organization structure, at the top levels particularly, and made the following statement which was significant in relation to my feelings at our lunch meeting: "... we have some problems to sort out at the executive level of the organization - people with ideas of further promotion which won't materialise."

The lunch discussion followed on topics relating to various aspects of Society life over the past twelve months. A number of points made then were followed up later in informal contacts with staff and can be summarised as follows.

Apparently they had lost a number of promising young people over the year and this was worrying them. It was seen as the result of a lack of promotional opportunity whilst it seemed to me that other factors could be at work - induction, training, appraisal or supervisory failings for example. When I pointed these other factors out to them they recognised they could be contributors but still believed lack of promotional prospects was the key factor. They had lost the services of the financial assistant to King and this was attributed to a failure to pay sufficiently for skill and position. In fact the issue of wages and parity with other financial institutions' reward systems was causing concern. They felt they were being left behind. The training function had been strengthened by the employment of an Assistant Training Officer and a substantial amount of Branch and Agency training had occurred. The updating of the procedures manual had been completed and one run of the P.R.A.P. (performance review and action programme) had been under-

taken. I did ascertain in passing that the executive group had not participated in the review and this seemed another indicator of the continuing unrest at the top.

Comments were made by a number of people in regard to the "Lloyd Nelson" problem continuing as before, and this tended to confirm that many of the points made in my retrospective analysis were still not resolved. At a meeting with King and Timms they expressed concern about the organizational issues and executive role conflicts and hinted that Dolin had not done enough to resolve them. Again, it was marketing that was singled out for censure and the point made that marketing operated almost as if it did not belong to the Society in operational terms.

A number of people at all levels stated that morale was higher and communication better. This was balanced by contrary views expressed by one respondent in the following terms:

"... the only thing that has changed is the building."

(Renovations and re-building in 1979-80 have resulted in excellent working conditions in new office surrounds.)

At the initial meeting I offered to talk to a management meeting about the C & G structure and this was accepted. This meeting was held early in December and my contribution was only a minor part of the agenda. It was particularly interesting to me because of the contrast with the C & G - H.B.S. was actually holding such a meeting (anathema to the C & G). Not only that but a number of overt criticisms were made such as lack of co-ordination between managers, problems with the career pathing scheme and difficulties with meeting budget reporting responsibilities - and made direct



to the top executives. This would not occur at the C & G, at least not as part of the formal system.

As a result of the various meetings and discussions it was agreed that I could continue in the Society to complete my research requirements and that my previous consulting role could also be continued to our mutual advantage.

On the 22nd January 1981 I submitted the following contract letter to the General Manager and it was accepted as the basis of our relationship for the ensuing eight months.

Dear Mr. Dolin,

Thank you for the hospitality I have received at H.B.S. since my return from overseas and also your positive response to my request to continue with my PhD research within the Society. As we have also discussed it seems appropriate if I continue my consulting role with you as a number of areas remain where my previous involvement could be carried on.

After talking with Dennis Timms we have decided on six projects which are relevant and needed and could be completed within the next 6 - 8 months. They are as follows:

1. Assistance with design and running of a 'week-ender' in March 1981.
2. Review of the PRAP scheme and involvement with any subsequent re-design that is required.

3. Begin training of Managers to assist them in carrying out their responsibility for Manager and Supervisor Development, i.e., some form of "trainer" training.
4. Investigate means of involving middle managers in the work of the Society and ways of improving communication between themselves and with the executive.
5. Investigate the organization structure and its appropriateness to the Society's task, particularly at the executive/divisional level.
6. Assist with implementation of another run of the PRAP scheme (revised if needed as a result of 2 above).

In addition, of course, I would always be available for discussion on any matters falling within the boundary of my experience and knowledge.

I would anticipate that at a contact rate of about 4 hours a week (on average) these projects would take 6 - 8 months and that at this stage we limit our formal engagement period to that time and review the situation when it is completed (August - September 1981). In regard to payment I would suggest that I submit an invoice at the end of each month noting the actual hours spent on Society projects and charged at the rate of \$35/hr. This rate contains an element which allows me to pay the School of Management a percentage of the total fee towards their research funds. Given the above figures the maximum cost to the Society would be:

$$34 \text{ (weeks)} \times 4 \times 35 = \$4,760.00$$

I hope that both the projects and the contract arrangements are satisfactory to you and look forward to our continued association.

Yours sincerely,

signed

Roger C. Smith

On the surface the letter indicates that my re-entry to the H.B.S. would merely mean a continuation of my previous role and relationship with staff. However, much had changed during my absence not the least effected by the time lapse being myself. Prior to my leaving H.B.S. for England my role had been quite clearly that of a consultant/come adviser. There had been some idea in my mind that the H.B.S. contact would be useful as a research base and tentative plans had been made to contact other Building Societies in England to provide comparative material. Upon my return the ideas and contacts had been acted upon and my research path was quite clearly set. My English experience then, had changed my perception of my role although to my clients my previous approach and activity within the role remained type cast as consultant/adviser.

After my experience in England I think I was seen by H.B.S. staff as having established a credibility that was perhaps lacking before - especially on the Building Society operations side. To have worked albeit temporarily, in an English Society (and a successful one at that) was sufficient to create an aura of expertise even though it may have been specious. This extra credibility

subtly changed my relationships with people at H.B.S. and raised my status a notch or two and was a major factor I feel in my becoming involved in the organization structure debate. In addition, just as I had looked at the C & G people and operation in the light of the culture I had left behind (H.B.S. operating in an Australian environment) when I returned the opposite occurred. With the involvement behind me of working in a different environment my new view of H.B.S. tended to be influenced by that involvement. There is no doubt that cultural expectations played a major role in my research and its outcomes. As will become clearer in later chapters my view of life and people is strongly influenced by my Australian experience. Whilst it has been modified by exposure to other cultures it is still the main basis for my reactions to individuals, groups and organizations and their interaction.

CHAPTER 16: REACTIVATING THE CHANGE PROGRAMME

My work with the Society was formally contracted until the end of September 1981 although I had tentatively agreed with the executive group that we look forward to our association continuing until June 1982. There were thoughts of appointing a Personnel Controller who would assume many of the activities I had been engaged in researching, designing and promoting. This appointment would be made probably in January 1982 and I could thus phase out of the Society over the January - June period. As an end point for the major purposes of this thesis however, it seemed appropriate to conclude the active current observation related to the revisit to the Society by July 1981.

Of the six points noted in my contract letter (Chapter 15), I had at that point involved myself to a greater or lesser extent in all of them. The weekend workshop had finally been held early in May, the P.R.A.P. scheme review had been completed, planning for another run had begun and the organization structure examination had been completed. Some steps towards improving the communication between managers and executives had been taken and manager and supervisor training had been scheduled. A discussion of the course of these events together with comments on their effects and implications forms the basis of this Chapter.

The Weekender: Although I had advocated in my final report of 1979 that another residential workshop should be held during 1980 this was not taken up because, it was claimed, of work pressures and the need to settle into the new premises. The executive team are concerned about the many changes occurring or about to occur in their environment. For example, there had been some de-regulation of the requirement for banks to hold savings interest down, the Campbell inquiry into the financial industry was hinting at more de-regulation and on the local scene the Perth Building Society had merged with the City Building Society to become over three times the size of H.B.S. All-in-all competition for the savers and investors dollar was increasing and the 1980's looked like being much more turbulent and difficult for financial institutions than the 1970's.

The weekender idea was revived and it was decided to focus it on the future of H.B.S. in this changing climate. It was relatively easy to decide on having the event and giving it a 'futures' orientation: it was quite another challenge to set the time for the event, design its content and prepare the twenty or so management staff to participate in it. There were at least a dozen formal or informal meetings at which programmes were presented, argued, changed and re-presented only to suffer the same cycle again before the final programme was agreed. Although the core idea of letting participants design a corporate plan for the period 1982-85 was offered and accepted early in the process, the detail took a lot of time to sort out. Finding a suitable time for the weekender also proved a problem and from an initial proposal of mid-March it was pushed forward until finally settled at early May. The agreed programme took the form of pre-workshop

activities for participants (who were grouped into multi-functional syndicates), the workshop itself and post workshop activities. An outline of all these activities and the objectives of the workshop can be seen in Appendix 16-1.

One particularly useful feature of the weekend workshop was the attendance and participation of one of the Society's Directors (Mr. B. Wright). This was a satisfying experience for the managers for whom this was a first opportunity to exchange views with a Director in a working situation. As had been the case in the last weekender (held during November 1978) the early skepticism and lack of interest by middle managers slowly changed to enthusiasm and co-operation which became very evident at the workshop itself. The pre-workshop meetings had syndicates working on common problems and this reduced many inter-Departmental barriers. At the weekender an excellent spirit prevailed and communication was as free and open as could be expected. It became obvious that the corporate planning task they had been given was stretching them too far and the end results were rather sparse, especially in terms of how to implement what syndicates had decided to do. Despite this the managers agreed that this 'facing out' exercise was an invaluable contribution to their appreciation of problems and constraints and uncertainty faced continually by the executive and by the Board.

The sketchy outcomes of syndicate work were fleshed out at post workshop syndicate sessions. At the formal meeting attended by all participants a week after the event moves were made to begin looking at a corporate planning function and a means of providing it with input from staff. This linked in with the work done on the

organization which is described in the following section.

Organization Structure: Some reference has been made in Chapter 15 to this topic and what follows is a description, analysis and outcome of my role in re-organization discussion at executive level.

Mr. Dolin's concerns seemed to centre on three issues:-

the succession to his position, the continuing problems with Marketing Department (and the Marketing Manager in particular) and the effectiveness of the current total structure in view of the increasing demands being made of it.

One of my comments to the executive in my final report of 1979 was related to their failure to take the opportunity to use me in discussions on re-structuring. Perhaps it was this, combined with a desire to make forthcoming discussions on the issue noted above as unbiased as possible that I was invited to participate. I did know prior to this part of the work that feelings within the executive were running high. For example, Dolin had told King that his aspirations to become General Manager were not well founded (in the short term at least) and he had let it be known many times to Nelson that he considered his performance to be less than satisfactory. Nelson's last reprieve by the Board was after the confrontation of 1978 (reported in Chapter 3). His employment contract which granted that reprieve was also coming up for review about this time. It was obvious that the executive underworld was in a state of tension which, however was kept well under control at the early executive meetings I attended. I was reminded of the work of Burns and Stalker (1961) and the difficulties caused to people



and the enterprise by the juxtaposition of the work system, the political system and the career system. Thompson (1967) also considers this point when discussing the issues arising from the fact that a job is both a unit in an organization and a unit in the career of an individual. I think in this case it was career concerns which outweighed all others in the minds of the executives.

The issue of re-structuring had surfaced prior to my return and the question of reporting relationships noted in Chapter 15 and a document by King suggesting a General Manager, Deputy General Manager, three Assistant General Manager structure were manifestations of this.

I was very conscious of the points regarding boundaries and functional logic made about the C & G and saw this opportunity to take part in such decisions in H.B.S. as a real break through in the consulting relationship. Here at last was close contact with the Chief Executive Officer and a chance to grapple with the key variables of structure and executive roles relating to that structure.

The sequence of events on re-structuring was as follows:

- . private talks with Dolin on options and strategies resulting in a decision which involved me in suggesting a number of alternative structures and presenting them at an executive meeting.
- . presentation to the Board of the various alternatives offered (by Dolin).
- . production of the final structure by Dolin and its presentation by him to the executive. I was not invited to this meeting.

My discussion documents are shown in Appendix 16-2 and, as can be seen did not name people or give titles (except for the two top executives) but concentrated on functionalisation and differentiation of these functions. My main concern at this stage was to present some beginning ideas which could lead to a concerted executive effort to design an acceptable structure. Thus, I was not so worried about the actual design at this point as I was about the need to stimulate thinking on structure and the factors which would need to be considered in designing one suitable to H.B.S. The suggestions looked at a number of permutations and combinations of activities into divisions, departments, levels and management integrative positions using activities listed in document 6 as a basis. In the light of my experience at the C & G my expressed preference at the meeting was for the structure shown on document 5 as it placed the top executive on the Board and put loans, investments and branches/agencies together under one manager. Much of the argument generated by these documents came from King who saw a major part of accounts (investments) leaving his control and Nelson who saw 'his' Branch network under threat. None of the personal conflict really surfaced but it was manifested in these functional placement arguments. No agreement was reached at the first executive meeting and the next two were concerned with consideration of alternatives submitted by each executive member which were based (at my suggestion) on a bottom up approach (looking at functions/activities performed before deciding on logical groupings) rather than a top down approach.

Despite this, nothing was resolved or agreed by the executive as a group. My hope that the group would agree on a design was not fulfilled. In the end we did not really reach any conclusions on what were operational, service or control activities or what the task logic for design would be. Although there are differences between Appendices 16-3 and 16-4 the suspicion remains in my mind (and perhaps the executive staffs' as well) that Dolin designed the exercise to look 'as if' participation had occurred when in fact it had not, in any real sense. This may be unfair to Dolin but the result of the exercise does not seem from my view to be satisfactory given the opportunity we had for significant change and my thoughts about the boundary problems. From talks I had with other executive staff I think they shared my view that the outcome was not satisfactory although they did not all share my views as to why. Soon after this organizational exercise, an advertisement was placed for the Marketing Division management position and Nelson was again fighting for his survival. This is the only step taken to date on the structure proposed by Dolin.

Progress Review and Action Programme. I was keen that the P.R.A.P. system should become accepted as an integral part of the Society's operation. In my view, it forms the focus of the total personnel and training function and is the best formal method of tapping the underworld for valid evidence

of training needs, dissatisfaction with procedures, grievances, morale, anomalies in job design and so on.

A considerable amount of time was spent interviewing staff at all levels about the previous run of the P.R.A.P. looking at the results in completed forms kept on file and analysing the strengths and weaknesses of the programme and its forms. The forms were redesigned and discussed and methods of implementing a re-run of P.R.A.P. considered during April and May 1981. Results of the analysis and proposals for re-introducing the programme with re-designed forms are summarised in my 16 June 1981 memorandum to the General Manager (Appendix 16-5). Minor changes were made to the forms and a major change was suggested for the method. This involved spreading the activity involved in P.R.A.P. over the whole year by reviewing each staff member's progress once every six months from their commencement date with the Society. In this way the load involved in total staff reviews once or twice a year would be reduced; it would be clearly differentiated from salary review periods and the process would become a continuous and regular part of each person's job. The proposals in the memorandum were accepted and staff training prior to the commencement of the programme in August 1981 was held during July. In addition, lists of staff and their date of joining the Society were compiled and distributed to the appropriate managers in late July. The new forms were printed and the deadline appears to have been met with forty staff recruited in either February or August due for review during August 1981.

Communication and Development: Of the items listed in my contract letter, these two (3 and 4) had received least attention.

In regard to communication I thought some improvements had been made but decided to provide impetus to activities in this area by writing the memorandum shown in Appendix 16-6. A short introductory programme on the function of training and development and the role of training specialists and line managers in performing this function has been designed and was due to be run during August. Presumably both these items will be followed up during the coming months.

In summary, it seems to me at this stage that the change programme has been re-activitated. Better still, it now seems to be in a form that can be carried on by in-house enthusiasm and expertise. Of all the work done, the least satisfactory to me has been the area with the most potential for improvement, i.e. organization structure. After my experiences in this exercise on analysis and change I certainly have theories about acceptance of these processes by level, about the long term nature of such processes and about the role of the consultant in these processes. I will be looking at these issues in Part 7 of this thesis.

PART 6:      COMPARING THE TWO SOCIETIES

CHAPTER 17: HISTORY, STRUCTURE, CONTEXT AND OPERATION

The C & G is ninety six years older than H.B.S. but in many respects this age difference is not significant. This is because the expansion period for Building Societies, both in the U.K. and Australia, commenced in the 1950's and accelerated greatly during the 1960's and 1970's. Although the C & G is almost a century older than H.B.S., this century can almost be ignored in terms of its impact on current day operations except for its effect on the image Societies have of themselves. Probably the most important effect of history and tradition on both Societies, and indeed on Societies in general, is the difficulty they have in departing from the image created by that background. The image of the financial institution with almost altruistic objectives, solidly based and slow to move without a lot of deliberation and being money rather than market oriented, is bound up with the past and forms the basis of many present attitudes. This is exhibited more so in the C & G than H.B.S. and may be attributed to a longer history and the fact that the Building Society movement began in England.

The H.B.S. is a more open, less paternalistic organization than the C & G although this may be due more to cultural than institutional factors. My background may also be the factor which leads me to see each Society in that way. It was interesting to note that the H.B.S. was following in the C & G footsteps in regard to formalising systems and proceduralising all operations, although I have the feeling that such tightening would not go as far in the H.B.S. as it had at the C & G. Similar external bodies operate in the industries in both countries and close ties are maintained between these association bodies both internally and internationally. This means that international contact is probably more frequent in this industry than in many others and the top people I met seemed to know most others in similar positions. The international network (particularly between the U.K., Australia and

South Africa) is well structured and effective.

In Australia it is the Building Societies which have, up to date, captured much of the home mortgage business although banks have also served a portion of this market. In the U.K., the Building Societies and Insurance Companies have been almost the sole resource for home borrowing but, as of 1980, nearly all banks moved into the home loan field for the first time. As in Australia, they are catering for a narrower segment of the market (the wealthier customer demanding a high mortgage and able to provide at least 30% of equity finance for the deal) although it is possible that this will change in future as restraints on competition are removed. To be added to the intense competition for the investors dollar will be the competition for users of these invested dollars.

Also, both in Australia and the U.K. the tradition of relying almost solely on small investors running savings accounts is disappearing and most Societies now borrow large amounts of long term money from other sources (insurance companies, merchant banks, pension funds for example). It is interesting as an aside to note that the Stow Committee report - the C & G's Stow - did not recommend such a practice and proposed that the problem of securing a regular flow of cash to finance the demand for mortgages be overcome by paying higher interest rates to the savers who have normally provided the bulk of money in the past (German, 1980). H.B.S. have begun, in a small way, to raise funds on the long term money market.

Combined with the battleground for borrowing and lending that faces Building Societies in both countries is the issue of diversification of operations which is surfacing in the movement. Issuing cheques, providing bill payment facilities, instituting credit cards and automatic money dispensers are only a few of the areas being considered when a Society asks itself the question which it is being forced



increasingly to ask -- What business are we in? The context for the industry in Australia promises to be turbulent if the current Campbell inquiry results in the same types of de-regulation in the finance industry as occurred in the U.K. after the Wilson report.

The trend in the U.K. towards having fewer and larger Societies through mergers is now evident in Australia as well. Prior to my contact with the C & G there had been very strong moves to merge with the Chelsea Building Society and during my stay with them many rumours circulated through the underworld about the latest "merger moves". Whilst I was in the U.K., the Perth Building Society merged with the City Building Society in Western Australia and such mergers had occurred or were rumoured to be about to occur amongst a number of Eastern States Societies. Home Building Society staff talked often about the possibility of merger as a device to rapidly increase in size to remain competitive with Perth Building Society and the target mentioned is the W.A. Building Society - currently number four in the State. No overt move has yet been made to accomplish this or any other merger by H.B.S.

Whilst it is clear from what I have said about the history and context of H.B.S. and the C & G that they have similar commercial objectives and operate within similar financial environments, it will become equally clear from my comments from here on that they are quite different structurally and operationally, not so much from the perspective of what they are and what they do, but in regard to how they are set up and how they work.

The C & G operate with a staff of 800 people (full-time and part-time) and the H.B.S. with a staff of 200 in the same categories. In terms of assets the C & G is five times as big as the H.B.S. so that there seems to be significant economies of scale as the C & G is operating with 200 less staff than would be necessary if a linear relationship

existed between staff numbers and assets (beginning with the H.B.S. current position and other factors being equal). Another possibility is that the H.B.S. is overstaffed to the extent of forty people (1/5th of 800 is 160). The answer probably lies between these two points as the C & G gives the impression of operating more efficiently than H.B.S. and no doubt size does allow some economies in operation/administration. The measure of efficiency used by the C & G - management services ratio - should be equally applicable to H.B.S. On the basis of 1979 figures this ratio for the C & G is 1.03 and for the H.B.S. is 2.5. The lower the ratio the more efficient the operation!

At H.B.S. the top executive person is not on the Board of Directors whilst at the C & G not only is Stow on the Board but Vose is as well. This does give the top positions at the C & G more power and status in the policy area than at H.B.S. and also tends to put a corresponding amount of executive power into the hands of the nominal second-in-command (Longhurst). Stow does have more power than Dolin to implement many major decisions without the reference to the Board which Dolin must consider.

Both Societies are structured by function although this is done differently in each case. It is possible to find almost complete correspondence of functions in each Society but the relationship placings differ. The clearest examples of these differences are as follows:

Branch Development and Premises forms a high level integrated department at the C & G but is divided between marketing and administration at H.B.S. and is much less visible as a function

because of this. The finance/accounting area at the C & G does not include the investment accounts processing function as it does at H.B.S. whilst the C & G has a research job and a legal job neither of which exist at H.B.S. Marketing at H.B.S. forms a major divisional area in its own right reporting directly to the top but at the C & G it is part of an area which includes personnel and training and reports to the second level of the organization. In the C & G there is a separation of branch administration and branch business development whilst at H.B.S. both are the responsibility of one person. Agencies and branches at H.B.S. are under separate controllers but are grouped together at the C & G so that a branch is considered to include the agencies near it.

In regard to titles both Societies make wide use of the word "Controller" and perhaps this is indicative of how they see the managerial role. The hierarchical use of titles is slightly different in each Society with the C & G being somewhat inconsistent (moving from supervisor to manager to controller to manager in their structure) and H.B.S. being more logical (moving from supervisor to controller to manager in their structure). Thus the C & G gives a greater amount of status and power to the title "Controller" than does H.B.S.

Appendix 8-3 gives the overall level and span figures for the C & G and these can be derived from appendix 3-2 for H.B.S. to give the following comparison:

	<u>C &amp; G</u>	<u>H.B.S.</u>
Levels	7	6
a) to b) + c)	1:7	1:6
a) + b) to c)	1:3.6	1:3

- Key:     a) - number of executives, controllers, managers  
           b) - number of first line supervisors  
           c) - number of clerical/operative staff

Therefore, with approximately one-quarter of the staff numbers of the C & G, H.B.S. has only one less level in the organization and has lower spans of control. When considering these figures for the C & G earlier, it was suggested that, according to Child (1977) it was taller than the average organization with similar numbers. Using the same source the H.B.S. is much taller than the average given its relatively small number of employees. This suggests that it is 'overmanaged' and gives some credence to the plea by middle managers that they have little responsibility for policy decision making and by the lower levels of the organization that the top seems very distant in their perception. I think it would be easy to operate at the C & G and at H.B.S. with one less level and perhaps reduce the communication problems that exist up, down and across the line. However, cutting out a level in these on-going systems would be difficult mainly from a personnel point of view. Also, of course, it removes one step of the career progression ladder and would have negative connotations as seen by lower levels. Although they don't like being pressured by a high management structure the paradox is that they don't like seeing career opportunities reduced when the structure is lowered either!

From observation of both Societies, examination of their growing structure at differing periods of time and knowledge of how people have moved up their structure I would suggest a tentative hypothesis regarding the structuring that occurs with growth. It goes along the following lines.

As a Society grows in numbers, assets and operating complexity, structuring decisions are made which reflect personality, preference and individual status claims rather than an organizational rationale and the result is the creation of at least one more structural level than is necessary but which tends to reinforce and perpetuate its continuity by its very existence.

The nature of these personality/preference decisions at the C & G was discussed briefly in Chapter 12. The difficulty of reducing these level/s is evidenced by attempts to sponsor a five level structure (see Appendix 16-2, document 5) at H.B.S. It would be interesting to see if this hypothesis is transferable to other Building Societies or indeed, to organizations in other areas. Woodward (1965) at least considered that most organizational change came about almost spontaneously as a result of a crisis, to accommodate individuals or in response to a management fashion.

As noted earlier in this Chapter, the C & G does appear to operate more efficiently than H.B.S. even though the management services ratio is influenced to some extent by size. Both Societies have made extensive use of computer assistance. The C & G has concentrated on developing the Chief Office Administration System and providing access to information for staff via V.D.U. equipment. H.B.S. has put more effort into developing an on-line system for branch use and has only recently begun to use the computer to handle more Administrative Centre data. The C & G have put a number of branches on-line but not yet to the same extent as H.B.S. In a sense H.B.S. has worked from the branches in and the C & G has worked from the Chief Office out. I suspect that the greatest

scope for improving procedures and making significant contributions to reduced operating costs exists at the administrative headquarters in each case, and the C & G approach has therefore been the most effective. H.B.S. has a lot of ground to make up on the C & G in areas such as routine filing, typing output and accounts and loan processing.

In the function of product development/marketing H.B.S. appears to have been more innovative and dynamic than the C & G. As mentioned previously the function is much more visible at H.B.S. than at the C & G although in both Societies much of the actual thrust in executive action has come from the Chief Executive. At H.B.S. Dolin is still the nominal Head of marketing and at the C & G, whilst Stow has been in a similar role, it is now in the hands of Longhurst. One of Stow's comments during an early interview was that he was deliberately pushing Longhurst into the marketing area because it was an area in which he lacked knowledge and expertise. It may be said that such a lack did not seem to deter Longhurst as he dominated the Marketing Manager and the Business Development Managers, all of whom deferred to his command. My view is that neither Society sees the marketing function in the right perspective, i.e. as the market sensing, forecasting, planning, 'leading' function in the Society. Marketing is seen as a lesser selling and advertising function, subservient to finance, accounting, administration and EDP and a 'follower' rather than a pace setter.

On the surface, the C & G is operating a more sophisticated personnel policy than H.B.S. but this is belied by messages from

the underworld. Even though the C & G has a Consultative Committee and two salary negotiating committees they do not in fact provide a satisfactory participatory mechanism - a fact shown clearly by the C & G research. The C & G has a formal appraisal procedure but this is carried out more as an administrative convenience for its face value than as a useful, regular review of performance as a tool for development action. Training is extensive at the C & G but stops at Branch Assistant Manager level and does not intrude upon the Manager and Controller levels of the Society. In H.B.S. there is no participatory committee system but there is a regular programme of branch supervisory, middle management and executive administrative meetings which do provide some semblance of formal upward, downward and horizontal communication. The residential workshop for managers, the beginnings of supervisor and manager training, career path planning and the P.R.A.P. are positive steps towards practicing a personnel philosophy geared towards peoples needs and the organizations objectives at levels above cashiers and first line supervision. Both Societies have obvious problems in the personnel and training areas but I feel that H.B.S. is doing more than the C & G to overcome them. In addition, the C & G problems were kept under wraps by the particular managerial style exhibited by the executive and the inclination of subordinate managers to accept the status quo and not disturb the surface peace that prevails. On the other hand, at H.B.S. many of the difficulties were openly expressed and became the issues for discussion and action on many occasions. My impression is that H.B.S. is prepared to acknowledge personnel problems and attempt to tackle them (with varying degrees of success)

whilst the C & G will not acknowledge such problems and are therefore not obliged to act.

With more of its underworld accessible to inquiry by the researcher H.B.S. seems to me to be more real than the C & G which gives an impression of being a carefully presented synthetic replica of what the executive wish their organization to be. Perhaps my biases are showing again. These will be even more difficult to control in the succeeding two chapters which deal with people and the underworlds.



CHAPTER 18: PEOPLE

Making reliable comparisons of people is always difficult and especially so when they are made on the basis of short acquaintance and in one environment (work) only. I feel that I know H.B.S. people better than I know those at the C & G and this is a function not only of longer acquaintance but also the nature of that acquaintance. However, despite the difficulties, I think it is important to the readers of this thesis to have my views on how I saw key individuals and groups within each Society. It is the people who have created my most vivid and lasting impressions of each Society and it will help my readers to put many aspects of my previous chapters into perspective if I share these impressions with them. The comparisons will be made between the key top people and between the groups which performed similar roles in each Society.

To begin at the top is to look at Messrs. Dolin and Stow as persons and as Chief executives. Both of these men have had long associations with their respective Societies and have begun at the top of them as it were, having served their pre-chief executive careers in other organizations. They have each been at the helm over the major growth periods of each Society and have every right to consider the Society they manage as their 'creation'. Both have served in Building Society association executive roles and both can be considered as experts in the field. In regard to formal qualifications, Stow is a chartered secretary and Dolin is an accountant with an Arts degree. As noted in the last Chapter both men have not only undertaken the administrative and leadership responsibilities associated with their job but have also been the guiding force in the marketing function of their respective Societies.

Dolin is still very active in this sphere and Stow has only recently shifted the function to his deputy's control.

The two men are quite different in nature and behaviour. Dolin is a quiet, approachable and thoughtful person whose non-autocratic low profile behaviour does not prevent him speaking his mind nor airing controversial issues- although he does so by clothing the barbs with a jocular manner in an attempt to protect peoples' feelings. He operates a true open door policy and is accessible to any staff member at any time. His method of directing includes regular discussions with his executive group because he likes to have the benefit of other peoples' experience and judgement though he can be very independent on occasions in reaching his conclusions and making his decisions. He works hard to make each of his executives feel that policy and procedure decisions have been arrived at jointly, even though many of his actions reflect unilateral decision making rather than joint decisions. On personal matters relating to each manager he prefers one-to-one confrontation and such matters rarely surface at group meetings which is somewhat of a disadvantage in resolving them. He has the respect and liking of all staff levels and is seen as a fair and just manager. Stow is a more distant type of person than Dolin and operates in an autocratic high profile manner with little faith in the value of group discussion. He prefers to confer with one person at a time and this enables him to influence and control each one (and the group) much more easily than if he used a committee system. His interpretation of an open door policy is:

"I can go and ask any of my managers any question

about their jobs or the Society operation at anytime."

Although he spends little time on the day-to-day running of the Society his influence still persists strongly throughout the system and many people have vivid memories of his dominant style. None-the-less, he is respected by most staff for his accomplishments and his sincerity though this does not extend to a genuine affection for the man. Although he is obviously the number one person in the Society he did have a reputation for being more approachable and less dogmatic than his deputy -- Longhurst; he is shrewd enough to know the value of listening and the value of being swayed occasionally by that listening, even though it meant discarding prior views on those occasions.

This last statement leads to a consideration of the two deputies, King and Longhurst. They are much more alike than their superiors. King is a qualified accountant and Longhurst has a Science degree and has specialised in the computing field. It is obvious from their managerial behaviour and their preference for dealing with the technical system rather than the social system that they have difficulty in preventing their specialist background interfering with their current generalist role. Whilst Longhurst is pulling his computer people up the hierarchy after him, King has given the administrative/accounting function greater influence in H.B.S. than marketing, its nominal equal in divisional terms. Neither has a good feel for the personnel role and both have a poor working relationship with their personnel specialist. King

considers Jebb (his Personnel Officer) to be a dogmatic, difficult character with a less than satisfactory 'clerical' approach to his job, whilst Longhurst sees Davies (his Personnel Controller) as being less than competent and someone to 'do as I tell him to do'. There is some rationale for their opinions but the managers must share some of the blame for exacerbating such problems and doing little to overcome them. However, it would be fair to say that King has made more effort than Longhurst to modify his stance and recognise the importance of the function whatever the qualities of the incumbent specialist. Longhurst in my opinion is the better manager of the two if only because he appears more intelligent and more apt at administrative work and, as a result is given respect and authority because of these characteristics. In some respects it is King's lack of competence and administrative skill combined with his high level of authority which is causing many of the relationships/communication problems at H.B.S. Both men are very conscious of their status and power and tend to use the authority of their position to enforce compliance with their views rather than risk the chance of being forced to modify views by using a more participative approach. Listening for them is something that has to be seen to be done for its face value ('good' managers must listen to their people) but does not have to really affect how they feel, think and act. It is interesting that King has recently chosen to follow the example of two of his subordinates (Timms and Davidson) and has enrolled in the Post Graduate Diploma in Administration at the W.A. Institute of Technology and will commence the course in 1982.

Graham Vose, the Financial Director at the C & G has no structural counterpart (in level and authority terms) at H.B.S. and nor has the Assistant General Manager Branch Development and Premises (Knowles) although both functions they serve appear in the H.B.S. structure but at lower levels. The reverse is true of the marketing function in that the Marketing Manager at H.B.S. reports directly to Dolin and is responsible for the operation of the Branch network as well as new products and services and advertising. At the C & G the Marketing Manager occupies a back room position at the third level of the structure and has relatively little influence on much other than advertising. In fact the one-to-one comparisons that can be made between the top executives in each Society cannot easily be continued and it is more relevant to consider groups.

The executive group at H.B.S. functions much more identifiably as a group than does its equivalent at the C & G. This is evidenced by the regular executive committee meetings that occur at H.B.S. but not at the C & G and the many comments made by C & G executives about their lack of participation in major policy formulation. It is also evident from middle management views expressed in each Society that at H.B.S. 'management' is synonymous with 'executive group' whilst at the C & G 'management' is synonymous with 'Stow and Longhurst'. Despite these differences in the way the executives function they have one thing in common - difficulty in communicating effectively with the middle management group. In both Societies the most obvious communication gap was between executives and middle managers and even a cursory glance through the evidence presented in previous chapters confirms this. At

H.B.S. the problem was accepted by the executive in 1978 but it still persists. At the C & G the problem was not accepted by Stow and Longhurst so it has little chance of being worked upon. I can only suggest that such a gap has no significant effect upon the operation in Building Societies so that action to deal with it is not seen to be necessary. An example perhaps of where the efficiency of the technical side of the socio-technical system overcomes shortcomings in the social side. As noted earlier in this thesis, maybe this is institutionalised into Building Society operation and to try and change it would interfere with efficiency, i.e. can a Building Society run in any other way?

There seemed to be no significant differences between the lower supervisory and clerical levels of the Societies if their views of the top and the Society they work for are used as criterion. However, there is more regimentation at C & G than at the H.B.S. At the C & G the major processing departments are organized on semi-military lines whilst H.B.S. processing sections operate with much more flexibility in terms of job movement even though the nature of the jobs is similar - routine and repetitive.

Middle management at the C & G have more experience of the management task than the equivalent group at H.B.S. The average length of service of managers at the C & G was about twelve years and this is service as a manager in all cases even though the levels at which each one operated changed. At H.B.S. the corresponding service is under one-half this. This difference is reflected in managerial performance with the C & G managers appearing to me to be more competent in their jobs than those at H.B.S. - particularly in the technical component of those jobs. There was no

significant gap in the cultural background of managers at both Societies. The managers at the C & G were solidly British and half the managers at H.B.S. were 1960's - 1970's immigrants from Britain and the remainder were of British stock. Despite this the freer and easier traditions associated with Australian society have permeated H.B.S. making for a less formal and more relaxed atmosphere than at the C & G - at least on the surface. In a sense the openness at H.B.S. is official. This relaxation did not appear so readily in the underworld where a great deal of restriction and undercover authority belied the official laissez faire approach. I had no problems in getting along with people at both Societies although, it took longer to break through the 'English reserve' to the underworld at C & G than at H.B.S. As opposed to H.B.S., at the C & G reserve and closeness is the official position. Once the underworld had been penetrated the people were found to feel, think and act generally in much the same way in both Societies.

I have to look at my view of each Society in relation to my own cultural background. Because of my familiarity with Australian attitudes and behaviour it was no doubt easier to fit in and adapt to H.B.S. than to the C & G. Perhaps the reserve I felt was an inherent part of the C & G operation - the norm in the English scene and therefore not a real barrier when viewed from their perspective. On the other hand the H.B.S. operation could have been just as hard a nut to crack to an Englishman doing six months Building Society research before going back home. It is always easier to relate positively to ones own culture and to see others cultural differences in a negative rather than a positive way. Despite ones best efforts at being objective, it is impossible to completely eliminate self from subject - an epistemological

problem which cannot be avoided but which can be modified if its existence is recognised and accepted. The problem is noted by Ford (1975) who says "Is seeing believing or believing seeing" - and Chein (1972) who notes "I do not believe it is possible to write on these subjects without subjectivity and personal involvement."

The people I have been writing about staff both the official system and the underworld at each Society. Whilst Chapter 17 dealt with many aspects of the official system the next Chapter looks at the underworld which underpins the official system.



CHAPTER 19: THE UNDERWORLDS

In Chapter 12, I outlined the nature and effects of the underworld at the C & G as I perceived it. My retrospective analysis of the H.B.S. (Chapter 14) gave me the chance to tap aspects of the underworld which I did not consider in my early reports to them. On this basis I can, I feel, make some comparisons between the two and will do so using H.B.S. as the comparative focus.

At H.B.S. the underworld is much more accessible to the researcher than at the C & G. By this I mean that it manifests itself more readily in the form of suggestions, comments or criticism relating to both people and to the official system even if such comment is ignored by management. The comments made to top executives by middle managers (both in group or individual situations) regarding their perceived lack of administrative or leadership or communicating skill would never occur at the C & G. There the underworld keeps its counsel on these matters. My feeling regarding why this is so is as follows:

At the C & G such underworld comment is seen as a threat to authority and such challenges are not countenanced by the executive - particularly Stow and Longhurst. At H.B.S. such comment is not seen as a threat to authority but a challenge to executive ideas or opinions or knowledge or skill. The executive are secure in their view that the lower levels are far less competent than they are and they can thus happily listen to challenges but ignore them because the lower levels just don't know any better! In general, the C & G executive have more faith in the competence of the middle management group than do

H.B.S. executives. In neither case is the underworld open (a contradiction if it were) but the boundary is more permeable at H.B.S. than at C & G.

There are less problems at H.B.S. in reconciling the formal procedures with the unofficial task network. This is because the procedures have only been documented in a composite form over the past two to three years and they evolved from the unofficial and/or undocumented practices as a result of a lot of consultation between documenters (a procedures committee) and operations staff. At the C & G the official control system which is embodied in the procedures was developed early in the 1970's and now unofficial practices evolve from them because the official documenters (Management Services people) don't encourage much participation in procedure change and development from users. Thus there is a greater correlation between what is specified by the formal system and what is practiced by the underworld network at H.B.S. than at the C & G. The point of interest here is, why is the C & G more efficient than H.B.S. given that I have said in effect that whilst control interferes with performance at the C & G it does not (to the same extent) at H.B.S.?

It is apparent that performance is the result of interaction between the formal system and the underworld so that the issue becomes, what is the best influence mix of these two systems which produces most efficient performance? My feeling is that the increased awareness of staff to procedures and practices caused by their excessive use and imposition generates the underworld activity which copes so well with the interference

that output improves, i.e. what looks like the procedures producing efficiency, is, in reality, the underworld's reaction to them which promotes a more efficient operation. As Harold Bridger noted (Bath-Tavi Conference 1980), the informal network often operates as a basis to enable people to demonstrate skills they have which management has assumed in their design that they are too stupid to have.

When procedures and underworld practice are better matched then acceptance generates operating apathy which tends not to explore alternatives and options.

The issues of job satisfaction and morale must also be considered in any analysis of efficiency and it is obvious that the efficiency gained by the clash of formal procedures and the underworld practices is at great cost to both at C & G. This conflict between rationality (efficiency) and happiness (satisfaction) is considered by Etzioni (1964) and his view is that it is one of the basic organizational dilemmas. One of the only clear patterns that emerged from the questionnaire surveys at the C & G was that job satisfaction seemed to have steadily declined over the past ten years. It was also a fact that efficiency had improved over the same period. At H.B.S. it was much harder to get a feel for job satisfaction but from the early surveys there was much expressed concern about 'low morale'. At the same time people were openly critical of the lack of efficiency in people and methods so at H.B.S. a direct relationship rather than an inverse one (as at the C & G) existed between satisfaction and efficiency.

The picture I developed of the C & G problem with confused management tasks and boundaries also applied to H.B.S. During my revisit to the Australian Society the organizational structure debate showed clearly that such confusion existed and in the same areas as at the C & G, i.e. branch and head office tasks. I did find also that, even though job descriptions had been developed for all jobs at H.B.S. many of them were not mutually exclusive and this had given rise to self designed roles being worked out by many people in response to the unworkability of the official tasks and relationships.

Another similarity of course was the succession issue which was being resolved in both Societies at the underworld level. It was this issue which, more than any other, pointed out to me the truth of comments by Williams, Sjoberg and Sjoberg (1980). They claimed that neither Perrow nor other organizational theorists have acknowledged the significance of secrecy systems or hidden arrangements in the struggle for power and authority. They add that to talk of the informal system is not enough and argue for such a system to be called 'subterranean' or 'the other side'. Although what was happening at C & G was the same as at H.B.S. it was happening in different ways. In addition, once again because the H.B.S. underworld was more accessible, I rumbled the succession issue more easily and quickly upon my return to H.B.S. than at C & G. Despite knowing what was happening it was equally difficult at both Societies to find out how it was happening - a mapping problem that I return to in Chapter 21.

A major difference between the two Societies exists in the nature of the myths that surround perceived problems and possible actions. At the C & G the official view about maximum efficiency, satisfaction and good relationships was seen by the underworld system as a myth. Even though the underworld system recognised the myth they preserved it for official consumption. At the H.B.S. the official and underworld view of operational and social problems was remarkably similar. The myth here was that, because the problems were known they would thus be worked upon by both systems and hence reduced. That recognition of a problem equates with action to resolve it is a persisting myth that is preventing real action being taken at H.B.S. on many critical managerial issues. At the C & G then it is a question of failing to recognise that certain problems exist whilst at H.B.S. it is a question of failure to see that recognition of a problem does not solve it.

One final point which I am grappling with but have not resolved or reconciled, is the possibility of the differing relationship between the official system and the underworld at each Society. I hinted at this in Chapter 18 when discussing the freer and easier traditions of Australian Society. It was clear that at the C & G it was the official system which formed the basis for action - either official action initiated by it or underworld action reacting to it. At H.B.S. I have a feeling that it is the underworld system which forms the basis for action - the official system being the reacting system. In diagrammatic form these relationships could be shown as indicated herein, with a 'tightness' parameter added for good measure.

C &amp; G

H. B. S.

	Official	Underworld	Official	Underworld
Action	Initiator	Reactor	Reactor	Initiator
Tightness	Restrictive	Loose	Loose	Restrictive

Perhaps there is a cultural basis for the differences illustrated above, particularly in regard to tightness. In Australia it is 'right' to be open, frank and honest, i.e. it is an officially accepted standard. In English it is not the official position to be open - reserve and self control are 'right'. However, at the underworld level the reverse seems to occur. At H.B.S. it was noticeable that King in particular used his own system of practices, contacts and controls to keep a tight rein on the underworld - whatever was said about 'openness' by the official system. At the C & G the underworld was much more open and sharing and self supporting despite the apparent clamps put on by the official system.

In essence I am saying that neither Society has achieved a good operating balance between the official system and the underworld system. The C & G overemphasises the official system thus stimulating the reaction of the underworld system whilst H.B.S. relies on the underworld system to stimulate the official system. As I have already suggested earlier, in this Chapter the mix used by the C & G does seem to produce a better result operationally where a relatively open underworld enables tasks to be done more efficiently despite the apparently excessive controls.

I would very much like to follow up these ideas about the relationship between the two systems in other organizations in different businesses. My feeling is still that I have only had tantalizing glimpses of a whole operating world which is as yet untouched by research. It is in some respects a frustrating experience to come to the supposed end of a difficult road and find that it is really only the beginning of an even longer and obviously more difficult one.

PART 7. THE THEORETICAL FIELD REVISITED

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CHAPTER 20: THE ANALYTICAL PROCESS

My experiences of searching for understanding in the two enterprises which served as my research vehicles have convinced me of the value of sound analysis of information generated by whatever means. Information for the sake of information is relatively useless. It must be sorted, classified, shaken about and compared in order to form the base for the process of synthesis which yields a clearer picture of the enterprise than the fragmented view which is often the end result of information gathering. In addition, it is the analytical process which determines the validity and reliability of information and points to the effectiveness or otherwise of various information gathering techniques and the point at which information gathering must give way to synthesis or "pulling it all together".

My chosen bias has been towards a qualitative approach to research from a manifest/underlying multi-element perspective. This has meant that, whilst it is easy to assert the importance of analysis to such an approach and perspective, it is quite another matter (as noted in Chapter 2) to describe how best to undertake the process. This problem will be tackled in detail in Chapter 21 and at this point I will concentrate my attention on the role of analysis in relation to my research experience. In essence I will examine the part played by analysis in the process of developing a picture of an enterprise whether the purpose be for understanding and consequent predictive statement or for initiation of a change action programme.

In an early research paper associated with my work at Bath (Smith 1980) I was taken with the idea of equating analysis with the process of mapping, i.e. the development of a representation of reality, be it of the earths' surface, the scene of a crime or the operation of an enterprise. The usefulness of the idea was also reinforced when an exercise in personal mapping was given to me to do as preparation for the 1980 Bath-Tavistock Conference (Bridger 1980). When presented with a "reality" such as an enterprise and given (or choosing) the task of knowing it in the sense of being able to represent it in a systematic, understandable diagrammatic and/or verbal form, the mapping concept makes for a useful analogy. The knowledge sought could be defined as the communicable mapping of aspects of experienced reality by an observer (myself) in terms of a symbolic system and frame of reference deemed appropriate and relevant to that observer - it is not the reality itself (Holzner 1968). The knowledge I obtain and represent through my map is a projection of what I have observed onto a pre-established network of categories and co-ordinates in relation to which I select and arrange my observations/findings.

The close relationship between my pre-established network of categories and co-ordinates, the particular task to be done and the outcome is much clearer to me now than it was prior to this research. Assumptions about enterprises and their operation, about people and about cultures created a 'world in my head' (Downs & Stea 1977) which influenced every input

Purpose: It seems to me that one's purpose is the single most important factor in the analytical process. This, combined with one's position (insider/outsider/researcher/consultant) provides the focus for all that follows. It is the purpose in the sense of 'why' this activity rather than in the sense of an objective or what I want to achieve (Sayles & Chandler 1971). Our purpose sets the tone for the whole process in terms of type of contact/contract we make, the role/s we attempt to play, the methodology we use and the type of outcome we and others' look for. In the intervention process - even as an 'objective' researcher I intervened in organizational processes - a purpose enabled me to cope with the discrepancies, uncertainties and unexpected occurrences which resulted in challenging dilemmas, without foundering or drowning in conflicting information (Argyris 1970). I cannot say that my purpose was accurately defined, clear, concise and unchanging given that it related to the inter-reaction between the official and the underworld organizations. It was, however, sufficiently non-vague to offer me support during crises of confidence in what I was doing. Whitehead (1942) in fact notes that insistence on clarity at all costs is based on sheer superstition as to the mode in which intelligence operates.

Vickers (1965) seems to agree with the above view when he attacks an objective/goal orientation to the discharge of a role or the exercise of a profession and replaces it with a maintenance of relationships view. I can appreciate his point because my role at both H.B.S. and the C & G was very much concerned with making and maintaining relationships.

Without a feel for my purpose I would not have been able to reconcile the problems posed by my researcher/consultant role at the C & G for example. I would not have been in a position to search the data generated in a systematic way and make decisions on relevance in relation to the methodology of generation. There were many interesting areas unearthed which it would have been tempting to follow if the constraint imposed by my purpose had not prevented it. I could have spent much time in the tributaries without even getting to navigate the main stream. My purpose then, was the controlling concept that kept the research from dissolving. Without a purpose and some idea of the role relationships to be entered upon in an analysis then the particular problems posed by content - context dynamics have little chance of being reconciled and mediated.

Perspective: In this section I will be considering the view of analysis which I took and, in particular, the issues of multi-variability and the over/covert perspective which provided a focus for my work.

One of my assumptions, as noted in Chapter 1, was that a multi-variate approach to analysis and change is required rather than the use of simplistic bi-variate analyses which tend to generate operational definitions of debatable value to understanding enterprise operation. As a result of the

research I see no reason to change. My role as a qualitative analyst was to seek to provide an explicit rendering of the structure, order and patterns found amongst sets of participants (Lofland 1971) and, given this role, a multi-variate view is essential. To paraphrase Sofer (1961) ... if an attempt is made to deal with two or three variables without recognition of the larger system of which they are a part, it is virtually certain that the attempt will fail.

The qualitative approach implies an emphasis on oral input from respondents and every statement of an individual must be checked and verified in view of the situation as a whole if sense is to be made of the analysis (Zweig 1965).

Krupp (1961) is particularly scathing of laboratory methods and research where few variables are considered at a time - "... paradise may be observed but lost in the return to the real world." (p. 129). He also comments on March and Simon's theoretical concept which indexes more than two hundred variables in relation to organizations and says that this at least is partial recognition of their complexity. These views are supported by Lawrence & Lorsch (1967) and Blackler & Brown (1980) who note that the typical paradigms ignore the multivariate or multidimensional nature of organizations.

In regard to my emphasis on an official/underworld perspective it was necessary to have some view of the beast with which I was dealing (Perrow (1970)). Whilst the multivariate approach yields a particular framework, depending on the variables

chosen or assumed, and provides a base for analysis, it ignores, or rather does not consider in a primary way, the key dichotomy/ dialectic in enterprises. This dialectic between official and underworld has coloured all my research work at the C & G and subsequently. In a sense I chose as my root metaphor the enterprise as iceberg. Or, expressing, it in a different way in Dalton's terms (in Grusky and Miller 1970) the guiding question embracing all others (in the Milo study) was ... what orders the schisms and ties between the official and unofficial actions. The clearest indications I had of this phenomena were the different results elicited via interviews and via questionnaires at the C & G. As noted previously, the questionnaires tended to tap the official or 'seen' system and the interviews the underworld 'unseen' system. In Homans (1951) terms the official system enabled the enterprise and its members to survive in their environment whilst the underworld expressed sentiments of participants to each other. Without the support given by the underworld to the official system it is doubtful whether the whole could have functioned as well as it did.

Holzner (1968) claims that the internal structure of a work community tends to support the maintenance of its boundary and its specific frame of reference. Systems thinking concentrates on boundary management as the special realm of the manager/ executive. I think that in Holzner's terms, and at the C & G particularly, the employees below executive level were very skilful at managing the boundary between the official system and the underworld. The place of work and official

activity form a kind of shell which conceal the spirited life of the performers (Goffman 1959).

Scale: Using this parameter does not lead me into an extensive discussion. I did not use a large sample of people or organizations and my research base was quite narrow given that it encompassed only two enterprises in the same business. In effect I chose an inductive idiographic approach to analysis. In fact Mintzberg (1979) could have been describing my scale of analysis when he argues for a strategy of direct research - simple, inductive, anecdotal, systematic and inelegant. Diesing (1972) also discusses the idea of comparison by type and geography which was my field of endeavour.

Symbolization: The end result of analysis in my model is a synthesis or putting together of the patterns that will depict the enterprise in recognisable terms to its members. The problem becomes one of deciding how to depict or symbolize the synthesis - how to represent the enterprise on paper or orally (or both) so that it appears to have its natural dimension and relations.

In regard to H.B.S. I did not do a very good job of synthesis; for the C & G I performed a little better but the result still fell short of my hopes. What was different in each case was the opportunity for working through the results with people concerned. At H.B.S. this occurred whilst at the C & G it did not - except for the last minute discussions

with Stow. Thus it seems possible to have a less than satisfactory initial synthesis and yet end up with a satisfactory explanation of phenomenon observed if there is a working through period to enable feedback, refinement, amendment and re-framing to occur. As Sofer (1961) comments, mere communication of information or perceptions is not enough, it needs to be worked on repeatedly if mutual understanding is to result and if implications are to be absorbed and followed through.

If there is one area in the literature that has great gaps it is this. It is as if an assumption has been made that researchers have an innate ability to translate their findings into symbols comprehensible to clients and fellow researchers alike. This is not necessarily so and the topic of how to write a report or verbalise in some way the interpretation one has made as a result of analysis is barely mentioned in research texts. Knowledge for the sake of knowledge is no doubt an achievement but making knowledge available to others is no less important, particularly if such knowledge is to be applied as we hope it will in the field of organizational research.

In the preceding pages of this chapter I have related my experience of analysis to the mapping process and described my views of this process using the parameters of purpose, perspective, scale and symbolization. The next chapter looks in more detail at how to undertake the process, with particular reference to underworld mapping.



## CHAPTER 21: MAPPING THE UNDERWORLD

To recapitulate, a 'map' is a piece of systematic information about a given complex situation and many different maps can be made of the same field of interest (Bridger 1979). In regard to the enterprise I have concentrated on two maps, the one which provides a picture of the official view of the enterprise and the one which provides a picture of the underworld. As regards definition it is well to recall Etzionis (1961) words .. "what is formal in one organization can be informal in another and vice versa," and the statement by Woodward (1965) that the dividing line between formal and informal is hard to draw. The definitional problem illustrated here between formal and informal also applies to my model which uses official and underworld as its duality. It should also be stated that my conscious separation of these two maps did not occur until the beginnings of my U.K. sojourn so many of my re-connections with theory will relate to the C & G experience rather than H.B.S.

My contention then, is that the essence of analysis lies in the interpretation of the two systems I have described as 'official' and 'underworld'. These two systems exist in constant inter-penetration and interaction, each being part of the other yet in a sense existing separately. A great deal of the information on the official system is available for mapping to the outside observer provided with adequate powers to consult official records and make supplementary investigations using orthodox search procedures. Information about the ~~un~~derworld which develops as an interpretation of, and adjustment to, the official system,

is not so easily acquired. By its very nature it is not readily recognised, understood or accepted even by participants themselves. Some attempts that have been made to map this underworld system are as follows.

Cleland & Munsey (1967) present a method for charting interpersonal relationships incorporating system theory to portray operating characteristics. Tichy (1973) reports that Charles Kadushin has developed a computer programme (SOCK) for sociometric mapping of large networks of people and for identifying cliques. The work of Guest (1962), Sayles & Chandler (1971) and others is also mentioned in Chapter 2.

Despite this research, Cashman, Dansereau, Graen and Haga (1976) claim that the technology required to discover and accurately map the underworld of an enterprise remains to be developed. This assertion seems to me to hold as well today as it did in 1976 because the work on this development is more visible by its absence than its substance. On the other hand, from my experience of attempting to map the underworld I am not sure that it is possible to develop a set technology of mapping because the mapping base, the enterprise, is so variable and dynamic. My feeling is that tools or techniques are available now to generate the information needed for mapping but it is how the information is used and interpreted which leads to the map being sought. So, the normal tools of organizational analysis can be used for generating information about both

the official and the underworld systems. The major difference in approach to information gained is in the treatment given to that from each source. The underworld system must be interpreted from information whilst the official system can be accepted as being represented by the information. Thus, if there is a skill or technology associated with mapping the underworld it is not so much in generating information about it but extracting from that information the patterns, relationships and unofficial task procedures that underpin the official system i.e. a skill in synthesis. Put another way, the real mapping skill involves ability to come to grips with the differences between what is said, why it is said and for what reasons. As Light (1979) explains, the structure of organizational life invariably lies well beneath the surface in a given research setting and surface data interpretation enables penetration of that deep structure.

I am saying that the official system is appearance and the underworld system is reality and, as Whitehead (1942) notes, appearance is an incredibly simplified version of reality. Therefore, the identification of interfaces with consequent understanding of contradictions, dilemmas and conflicts is the heart of the analysis/synthesis process related to the underworld mapping. Nearly all the statements emanating from such a process are analytic rather than empirical if Stevensons (1974) classification is followed i.e. analytic statements can't be refuted or proved whilst empirical statements can be proved or disproved by the evidence source.

In these terms the official system can yield empirical statements but a satisfactory analysis, by definition, must include an attempt to map the underworld.

Given these concepts and accepting them makes the search for underworld mapping technology a fruitless task. The difficulty of such a search is reinforced if we accept Williams, Sjoberg & Sjoberg's (1980) idea that we are dealing not with one underworld system but with a multiplicity of hidden systems.

Technology implies a rational, universally applicable set of tools/techniques but we cannot ignore the importance of the point made by Sayles & Chandler (1971) when quoting an interviewee's comment ... "you (researchers) should never assume that you are moving into a completely rational situation or anything approaching it." If as they also say, the analyst must penetrate and not confront and must evolve concepts inductively from observations rather than deductively from established doctrine then a fixed methodology for underworld mapping becomes even more difficult to design. Woodward (1965) went some way towards admitting this difficulty by asserting that it becomes obvious to her that research methods have to be modified to some extent to fit the circumstances of each situation studied.

At the C & G for example it was analysis of the information by a number of methods which led to a picture of the official and underworld systems. In retrospect I cannot see how it would have been possible to consider both systems and study

them as separate entities. It is really a question of studying the organization as a whole and then, on the basis of the information available teasing out the patterns of influence, relationships and procedures which distinguish each system and identify the shifting boundaries. Whilst at the C & G, the underworld slowly gained a form for me - only after a considerable amount of search at different levels and using different information generation methods. At H.B.S. despite even more contact and much more information generation the underworld never took shape until I undertook a conscious effort to force it into focus as described in Chapter 14. Perhaps the skill I have been describing can only be obtained by practice and refinement and comparison after one is aware of the basic concepts involved.

It is one thing to accept that use of current information generation techniques combined with a more intelligent interpretation of the information will yield valid and useful predictive understanding of an enterprise operation. We also need a sound model or framework upon which to base this work and it is the aim of the next Chapter to consider such a model.

CHAPTER 22: A PROPOSED MODEL

My previous assertion (in Chapter 21) regarding the essence of analysis residing in the official and the underworld systems was promulgated by Blau & Scott (1963). Whilst devoting most of their book to formal organization they introduced the germ of the idea for my model in its concluding Chapters and note specifically (p. 250)

"The concept of dilemma, inevitability of conflict and change and the fact that we create new elements forces or problems when we solve problems, suggests that the process of organizational development is dialectical."

Kelly (1974) prompted me further in this direction by claiming that change advocates intuitively accept and act on a dialectical or critical conception of knowledge and truth. They see, he says, 'is' and 'ought' being dialectically locked in an imperative for change. In their article describing a dialectical analysis of organizational conflict, Lourenco & Glidewell (1975) as well as providing a useful description of the roots of dialectic in the work of Plato, Hegel and Marx, note that the principle of dialectics is the opposition of dynamic forces which emerge as a pattern of progressive logical development. The dynamic forces I see in opposition in enterprises are those represented in the manifest system and the underlying system. This goes beyond the idea of manifest/underlying structure and includes all elements of the enterprise including its environment, as will be shown by the

model presented later in this Chapter.

Such a dialectical view is committed to the concept of process and the principles of dialectical analysis (social construction/production, totality, contradiction and praxis) constitute a perspective on the fundamental character of social life (Benson, 1977). The efforts of people to transcend their present limits bring them eventually into conflict with the established arrangements and lead to the process of social change. In Benson's view this change is the equivalent of social construction/production. His principle of totality means that social phenomena should be studied relationally, that is, with attention to their multiple interconnections without resort to deterministic argument. Contradictions, ruptures, inconsistencies and incompatibilities in the fabric of social life make possible radical breaks with the present order. Thus, Benson says, the future has many possibilities besides a continuation of current conventional and orderly relations between elements in a social system. His final principle, praxis, is 'the free and creative reconstruction of social arrangements on the basis of a reasoned analysis of both the limits and the potentials of present social forms'.

The enterprise is a product of past acts of social construction rather than determined by only rational, causal connections; participants filling prescribed "forms" with unique "content"- sources of power which resist authority; mobilization of forces for change - these are the stuff of dialectical

analysis. Benson stresses that the essential continuity and the relational character of social life must be analysed and not overlooked in a search for analytical boundaries and units of analysis. However, he does admit to the two levels of enterprise reality similar to those presented in this thesis. He calls them morphology (the officially enforced and conventionally accepted view of the enterprise) and substructure (the complex network of relations linking participants to each other and to the larger social world in a multiplicity of unregulated ways) and accepts that they form the basic contradiction upon which all others are founded.

Whilst accepting that boundary setting is somewhat artificial I think that elements of analysis within the foundation maps are vital if we are going to be able to cope with an intelligible mapping of the enterprise. Appendices 22-1 and 22-2 are attempts to visualise a blending of the dialectical view with the elements and variables which are studied in the more positivist approaches. The elements and variables shown in 22-2 for example are derived from the Aston model (Pugh, Hickson, Hinings and Turner 1969.). Appendix 22-1 shows the dialectic between manifest and underlying systems in an enterprise and illustrates the principles of construction, totality, contradiction and praxis. (The apparent symmetry of the process must be accepted as a myth- in reality the cycles would be unevenly skewed, less smooth and more or less compressed depending on circumstances at each time frame). The most obvious points made by the model are that the balance between



the two basic systems can change over time and that the points of dynamic balance occupy relatively smaller time frames than the problem areas. Thus, even if balance is achieved it will probably not last long and the most an enterprise can hope for is to keep the gap between the manifest system and the underlying system as small as possible. As noted previously I think that the C & G provided an illustration of the official system dominating the underworld system and the H.B.S. provided an illustration of the opposite. In terms of operational results I have also suggested that these are better when the official system dominates because of the resultant stimulation of the underworld system. At H.B.S. there appears to be a slow redress of the balance with the official system attempting to reassert itself. At the C & G the indications are that such praxis is not yet occurring to any marked extent.

Appendix 22-2 and its accompanying detail description enables the enterprise analyst to identify elements and variables for mapping whilst still recognising that manifest and underlying features characterise each one. The particular point made by this model is that 'manifest' and 'underlying' as the basic contradiction exists in all elements and variables not just in structure and activities as is normally represented. There is a hidden side to every element, even the environment about an enterprise and the performance achieved by that enterprise. It has become more and more clear to me over the past two years that for every piece of information presented formally be it in regard to history, technology, membership of trade

associations or whatever, there is a corresponding piece of information that can be unearthed unofficially or 'off the record'. Sometimes the information matches and sometimes it does not and it is the job of the analyst to determine, if possible the true picture emerging from the contradictions.

In the model developed and shown in Appendix 22-2 the elements and variables presented are certainly not new so that many methodologies already developed for mapping enterprises (or parts of them), and mentioned earlier in this thesis would be appropriate. We are, perhaps, better equipped to deal with the manifest enterprise at present and it seems that the real breakthroughs in enterprise mapping will occur when we can develop better techniques for synthesis and understanding of the underlying enterprise. It is certainly needed because, before one can understand and predict interdependent behaviour within enterprises sufficiently well to programme enterprise change on other than the usual "trial and error" basis, mapping of the underlying enterprise is necessary. But, however sophisticated our tools of analysis become and however well we match our solutions to identified problems, the very nature of enterprises and their movement through time and space puts total "knowability" beyond our grasp. It is because of this that the concept of dialectical analysis looks so promising - it provides a vehicle for coping with opposing systems, contradictions, development and totality. The organization is seen as a concrete, multi-levelled phenomenon beset by contradictions which continuously undermine its existing features. Its directions depend upon the interests and ideas of people and

upon their power to produce and maintain a social formation. When this view as represented by Appendix 22-1 is combined with the analytical model proposed in Appendix 22-2 the analyst has a powerful combination of concept and methodology guidelines to assist him in the task of determining 'what is' at a point in time in any given enterprise.

## C O N C L U S I O N

LIMITATIONS TO THE STUDY AND SOME PERSONAL STATEMENTS ABOUT  
THE RESEARCH.

My research conclusions have been presented in Part 7 and I would like to use this final part of my thesis to discuss the limitations to the study and my feelings about doing the research.

There are a number of limitations to the study and I put them forward in no particular order. Perhaps because of my innate desire to be associated with success and because of the problem solving orientation of my consulting role I see a limitation in not being able to carry on my observations to see if 'improvement' occurs in either Society (or both). Or, failing 'improvement' whether my picture of each has been used to attempt planned change of a lasting kind. Since the last major contact with the Societies (November, 1980 for the C & G and October 1981 for H.B.S.) my limited communications have only whetted my appetite for more research and analysis with them. For example, I know that Stow has named Longhurst as his successor and that he has handed over executive power well ahead of his planned retirement date of March 1982. According to my informant (Davies, the Personnel Controller) Longhurst has taken a more moderate approach with staff since the selection decision was announced and is beginning to become more committed to personnel practices he considered unnecessary and frivolous before his appointment. The Training Officer resigned

six months after my report and exit. During 1981 I heard that Stow authorised a service to investors which caused consternation at the Building Societies Association because of its highly competitive nature.

At H.B.S. the changes in marketing have been implemented with Nelson being demoted to Advertising Manager and removed from the Executive Committee and a new Marketing Manager recruited. Apparently Nelson is very happy but the new man is having difficulty coping with the political machinations of King and the reluctance of Dolin to give up his 'management' of the marketing function. Oh to have the opportunity to analyse these new situations! Lack of continuity of involvement, not necessarily as a consultant but certainly as a researcher, limited the value of the study, particularly as far as the C & G is concerned.

Another limitation is what I see as my failure to extract exciting new theory from the cases. I have come to appreciate the comment by Fletcher (1974) that the fruits of much research do not result in a shattered world even if the researcher is! If, as Triandis claims (in Snizek & Fuhrman 1980) all theory must have three characteristics -- it must be accurate (valid), general and parsimonious - then I would not be sure of complete conformance with any of these criteria. Despite my attempts in Part 7 I have only tied up a few concepts into a neat and tidy bundle. It doesn't seem sensible to arrive at the few original ideas expressed

there after so much work and thought. Perhaps this is a disappointment rather than a limitation. Triandis also sees a theory as a guide to research decisions on

- a) what to observe    b) what is likely to go with what
- c) who is likely to give what kind of response and
- d) under what conditions. I think, more happily that my model serves these pragmatic issues a little better.

A most obvious limitation of course is that my theory has evolved from a very limited sample in only one industry. The obvious answer is to suggest that these theories should be tested in other enterprises in the same industry or in other enterprises in other industries. Such a total approach would be beyond my resources but I am at the moment attempting to research in a similar vein in the Fire Brigade Board of Western Australia as a next step in my learning process.

Finally there is the limitation imposed by ones apparent incapacity to escape the past. Despite the new learning and the associated new ideas, and the stimulating prospect of applying these, habit limits the ability to exploit these new ideas. In Chapter 15 I said that I had changed but I don't know whether this is true or not. All too often I realise that I was acting in my accustomed executive/expert role and not in the role of consultant/ researcher. It was not a question of not knowing the difference between these roles but of applying that knowledge. My excuse was always that my executive advice presented options and not a single answer but I knew it was a weak excuse. Perhaps I am learning

because I have stuck to a true researcher role in my current work with the Fire Brigade Board and it 'feels right'.

This incapacity to change seems bound up with the meaning expressed by Szasz (1974) in his book *The Second Sin*, p. 18:

"....every act of conscious learning requires the willingness to suffer an injury to one's self-esteem."

Time and again during this study and particularly during its practical aspects I have been impressed by the apparent human need to create order out of chaos and certainty out of uncertainty. The propensity towards establishing set routines and pre-recorded decisions on anticipated choices seems to be a guiding principle of organizational life. That this restrains freedom is an accepted outcome - a necessary by-product of the requirement for order. The issue becomes at the end, not whether or not freedom must be constrained, but to what extent. As the enterprise presses for more order, so the underworld activity grows to provide an outlet for people to express their individuality, their autonomy and their freedom. I still feel that my proposition about the increase in underworld activity to cope with procedural pressure being the key to efficiency rather than the procedures themselves has merit. That is, it is the reaction to order-creating activity which circumvents the restrictions of such activity or leads to improvements in effectiveness and efficiency.



In regard to uncertainty I personally found it difficult to cope with and this influenced my research work. To not know what problem lay beyond certain symptoms, to not have a solution to a particular problem, to not know what the next step was when blocked at a certain point - these were uncertainties that had to be eliminated or at least converted as rapidly as possible to certainties. My consideration of why this is so leads me to the conclusion that it is typical managerial/executive behaviour. Uncertainty is intolerable to a manager because it represents failure; failure of knowledge, of skill or of personality dynamics. To not have an answer or at least the beginnings of an answer is seen by the manager as a chink in his armour of expertise. This combined with the difficulties of escaping the past I mentioned earlier, lay at the base of much of my role conflict. I had, and still do to some extent (if my revisit activity at H.B.S. is a measure) difficulty in getting involved in analysis leading to change programmes without at some stage looking for solutions, or at least suggesting action which will progress analysis. The question I ask about this dilemma is -- "could it be possible to consider the roles as part of a continuum with the extremes being research and executive/advisory and consulting occupying the mean position." If it is, then we can escape from an either/or decision and consider a contingency approach to intervention in enterprise operation with performance improvement as an objective. So circumstances determine the role and any given contact with an enterprise could involve the exercise of all three in

appropriate amounts with the practitioner to be called a reconexec!! Perhaps the answer is to know the roles well so that confusion in use is avoided i.e. to not call consulting research or vice versa and to be aware that one is being 'executive' when in fact this is so.

I am sure that many people who tackle higher degrees would not do so if they could foresee the personal effort involved and the frustrations which accompany that effort. Maybe younger people who undertake such a path have less problems because they have less of a past to bind them into set patterns. In my case I have developed an ambivalence towards producing this thesis. On the one hand it is a millstone preventing me from doing other things I want to do, whilst on the other hand it has become a source of satisfaction and pride and a symbol that I can still learn and, by and large, enjoy the experience.

There is no doubt that the past three years have wrought changes in my methodology of dealing with organizational analysis and development projects -- and for the better. I also have a much clearer idea of the roles discussed above and can now, more often than not, consciously suppress my executive tendencies when taking a research or consultancy role.

Thus I have come to the conclusion that this thesis is not an end, but a beginning. A beginning in the sense of it directing me towards a different style of operation and a more understanding approach to organizational behaviour and enterprise issues.

Mills (1959) stated that the three co-ordinates for a proper study of man are problems of biography, problems of history and their intersection within social structures. Although I have considered a little of the history of two Building Societies and studied some of the people involved my main concern has been with their intersection in the relevant social structures. Thus my future work in enterprises will recognise the importance of the effects caused by people's attempts to balance the official and the underworld systems. The insights I have gained into the nature of this relationship should be very useful in my activities as either a participant in an enterprise or as a researcher/consultant/advisor to enterprises.

## APPENDICES

C O P Y

WAIT-AID LTD.

File No. 7/089

8th November, 1977

Mr. P. King,  
Assistant General Manager,  
Home Building Society,  
184 Adelaide Terrace,  
PERTH W.A. 6000

Dear Mr. King,

Following Mr. Roger Smith's recent discussion with you, I now have pleasure in submitting our proposal for consulting services in the field of personnel policy and practices.

We envisage that the overall programme would be undertaken in four distinct stages which may be described briefly as follows:

- Stage 1.        Analysis of the present state of personnel policies and practices which would involve the collection of information about the extent and nature of personnel functions presently being carried out by various members of management and identification of strengths and weaknesses.
- Stage 2.        Design and planning of personnel policies and procedures and presenting these to members of the management team by means of personal consultation and group seminar sessions.
- Stage 3.        Supervision of the implementation of the recommended policies and procedures and continuous evaluation of their effectiveness.
- Stage 4.        Final recommendations and phasing out of consulting activity.

2.

It is envisaged that stages 1 and 2 would involve approximately 250 hours of work commencing on the 1st March, 1978 and finishing on the 30th September and involving approximately 2 half days a week at your premises. However, we trust you will appreciate that it is difficult to be precise about this until a good deal more is known about the organization and it is therefore suggested that we undertake a preliminary study of approximately 50 hours duration to determine the needs more clearly and develop a realistic proposal for completing the programme up to the end of stage 2. In this way Mr. Smith will have an opportunity to form a much clearer impression of the requirements and at the same time, you will be better able to evaluate the proposal without having committed a large sum of money initially. We would suggest therefore that the first part of Stage 1. should commence on the 1st March, 1978 and should be regarded as a preliminary study of 12 weeks duration culminating the presentation of a report and proposal for the completion of Stages 1 and 2 for the sum of \$1,600.00.

As mentioned earlier, it is difficult to be precise about the cost of completing stage 1 and 2 but it is unlikely to exceed \$7,000.00. Stages 3 and 4 are of course much too far in the future for us to estimate accurately at this stage and it is suggested that we submit a further proposal early in October for any further work which appears to be necessary.

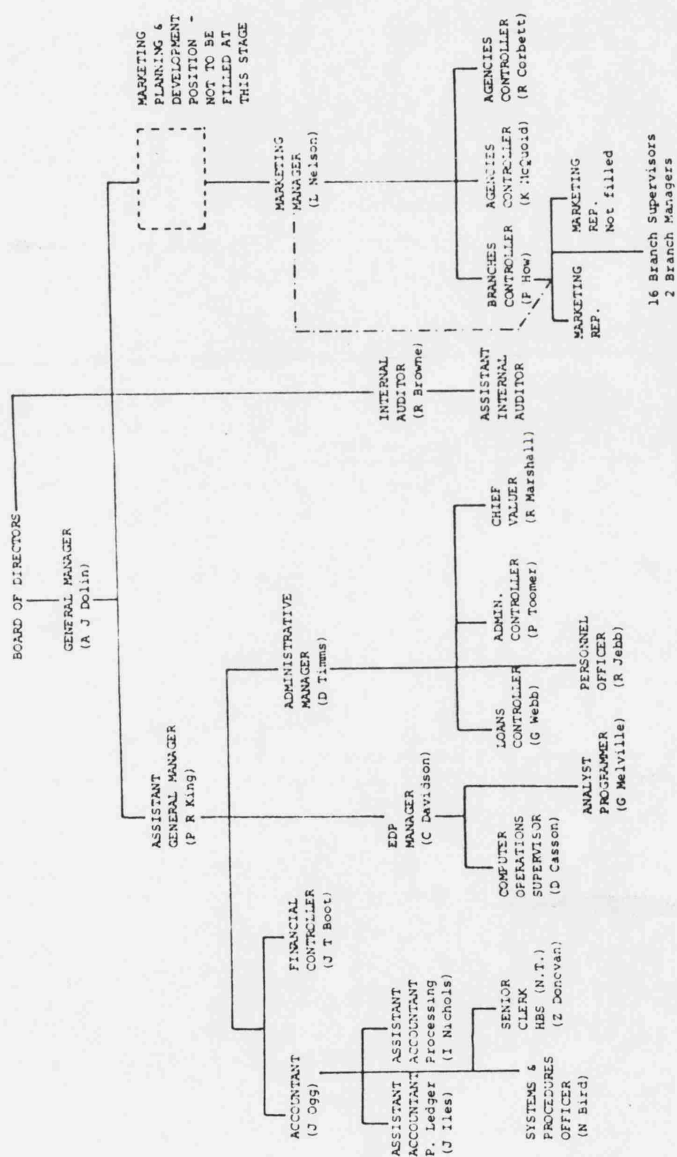
All stages of this work would be undertaken by Mr. Roger Smith, Senior Lecturer in Management at the Western Australian Institute of Technology and I enclose for your information, a copy of his curriculum vitae.

I trust you will find this proposal satisfactory and if you require any further information, please let me know.

Yours sincerely,

(signed)

D. MANSER  
GENERAL MANAGER



HOME BUILDING SOCIETY

INVESTIGATION REPORT

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Appendices

1. Sample of Personal Interview Form
2. Survey Form and Survey Results Represented by Profiles
3. Comments made in Answer to Survey Open Question
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5. Proposed Organisation and Committee System
6. Operational Design.



## 1. INTRODUCTION

This report will conclude Stage 1 of the contract entered into by WAIT-AID LTD and the Home Building Society on 22nd November, 1977. Under the terms of this contract, Roger Smith (on behalf of WAIT-AID LTD) spent March and April of 1978 gathering information and analysing it in an attempt to identify possible personnel oriented problems in the Society and suggest means to their resolution.

Information was collected from three sources:

- . a semi-structured interview with each of thirty six staff members (see Appendix 1 for form).
- . an attitude survey completed by nearly all the Society staff (see Appendix 2 for form)
- . personnel records and forms, operational reports and associated written material.

Whilst the concentration was on the personnel function, related areas were investigated during the process, as indicated below by the areas on which this report is based:

- . Objectives, Structure and Jobs
- . Communication
- . Recruitment and Selection
- . Training and Development
- . Assessment and Rewards
- . Job Satisfaction and Conditions

During the course of this investigation, the co-operation of every staff member contacted was whole-hearted and sincere. The feeling expressed by most people was satisfaction in regard to the Society being genuinely concerned about their opinions, feelings and attitudes. This feeling assisted in sponsoring frank and open comment. Without such comment, investigation of this nature would not be very productive in isolating genuine strengths and weaknesses. Staff are to be commended on the loyalty to the Society they expressed so often in interviews and in the trust they displayed in discussing privileged and/or personal information with the investigator.

The results of all interviews have been transferred to a large master record sheet and are available for consultation by the Society if desired.

Results of the attitude survey have been grouped in Appendix 2.

Results of the attitude survey open question, have been grouped in Appendix 3.

Other analyses/results are included in the appendices as indicated in the body of the report.

## 2. SUMMARY OF RECOMMENDATIONS

- 2.1 Top management to set goals and broad policy for the Society and each of its major functions or areas.
- 2.2 Restructure the organisation along the lines suggested in Appendix 5. If this is not done then make the structural alterations suggested in 4.1.
- 2.3 Specific objectives for each function and sub-section of that function to be agreed on a consultative basis.
- 2.4 Job analysis to be performed on all jobs in the Society with a view to compiling job and man specifications to clarify individual duties and responsibilities.
- 2.5 Personnel records and forms to be reviewed and re-structured as necessary to enable the personnel function to operate in a more professional manner.
- 2.6 Results of the attitude survey to be discussed with groups which produced them, in action planning sessions. Include in these sessions general information in regard to structure and objectives of the Society.
- 2.7 Review and amend the cashier training programme so that it becomes more effective.
- 2.8 Design re-training programmes to satisfy needs brought out during job analysis.
- 2.9 Institute the concept of induction training for all new employees.
- 2.10 Top management and personnel to identify management development needs and design a continuing programme to satisfy them.
- 2.11 Investigate the wage and salary and associated benefits system so that a more equitable and desirable reward package can be designed and implemented.
- 2.12 So that performance and potential can be continuously monitored, design and instal an appraisal system that will form the focus for personnel needs identification in future.
- 2.13 Management to study the comments made in response to the survey open question and take action (if necessary) on any specific points made.

3. PROBLEM AREAS - Definition and Analysis

3.1 Objectives, Structure and Jobs

Both attitude survey results and the results of the interviews indicate that people do not perceive unclear objectives to be a major problem in the Society. However, there are communication and co-ordination conflicts being experienced which seem to relate to a lack of a common understanding of Society and department objectives. All employees need to be able to see where their organisation, their department and their work group is going and they need to see how the organisation objectives generate their sub-objectives and how the total objective system is inter-related and provides focus and aim for the structure.

The present job structure which became operative in 1977 does not seem to have settled down yet. This is evidenced by confusion in the loans section in regard to duties, authority and responsibility and by the supervisory level interpersonal conflict in the Administration department. Because structure provides the basic framework within which people work relate and communicate it has a significant effect on the way these activities are performed. The attitude surveys and personal interviews indicate communication to be a major problem and it is reasonable to suspect that the structure may be playing a role in causing these problems. The very low rating given to people management in the surveys may in part be a reflection of the low status personnel occupies in the structure. When one considers the bias towards the administrative/ accounting function in the structure and the many comments by Branch Supervisors that they don't feel they are a part of the Marketing Department (although placed there) then the remaining five (5) staff employed in marketing who express their function as being a 'backwater' have some justification to do so.

Some anomalies exist between the titles given to people and their classification title -

- e.g. Administration Officer classified as Supply Officer.
- Administration Officer classified as Print/Stationery Clerk
- Analyst/Programmer classified as Computer Operator
- Liaison Officer classified as Accounts Clerk.



The use of the terms manager, supervisor, controller and officer sometimes does not relate to the job either from a duties indicator or an authority/responsibility point of view. For example, the Systems and Procedures Officer who supervises, Branch Supervisors with more responsibility than Branch Managers, Controllers whose activity is people oriented (supervisory) rather than technically oriented.

Job definition is causing problems in a number of areas. Comments were made about different people pursuing the same activities without communication and co-ordination; about interference in people's jobs and subsequent confusion and about duplication of duties. Perhaps this is to be expected given that there are no job descriptions or specifications to act as guides to job performance and to the relationship between jobs in the same section and between different departments.

Although the problems outlined above exist to a certain extent throughout the organisation the people who are most susceptible to them appear to be those in the middle management group. The attitude survey results for this group indicate a significant degree of frustration with the system and its operation.

Some dissatisfaction was also expressed in relation to the Board's conservatism - from levels in the organisation where one would not normally have expected such knowledge or comment. Perhaps the Board's role is not understood clearly by staff members.

### 3.2 Communication

There can be no doubt that the employees of the society see the ineffectiveness of communication as being one of their major problems - the other one being people management. Attitude survey results and personal interviews confirm this. It seems that downward communication is insufficient and operates selectively, horizontal communication is hindered by inter-departmental rivalry and upward communication is prevented by a fear of 'rocking the boat'. A great deal of by-passing occurs both up and down and across the line and is evidenced particularly in the Branch to Marketing and Head Office channels and in the AGM to EDP/Accounting/Administration channels.

Once again, as a group, the middle managers seem to be the people affected most by the blockages in the flow of information and attitudes between the top and bottom (and vice versa) of the organisation.

In respect of the above it would seem that the Branch Supervisor meetings and the Management Group meetings and the Bulletin are not achieving their objectives of establishing and improving two way communication. In addition, the Branches ad hoc communication committee system is no longer operational.

### 3.3 Recruitment, Selection and Training

This 'people management' area received a very low rating both in the survey and during personal interviews. Examination of the personnel procedures and records showed that there is a lack of professionalism in the operation of this function. In effect the function now involves mainly hiring, firing and wages payment. There is an attempt at a systematic approach to these three areas but, once acquired, people tend to have to fend for themselves. Job analysis, induction and training, appraisal, development and career planning, the heart of the personnel function are left to occur in an ad hoc manner, if at all.

(There has been recognition of the need for a more formal approach to personnel and this was stated in the Operation and Planning Objectives for 1977/78 produced by the AGM. It is also of course, evidenced by requesting this investigation).

Recruitment/Selection. The lack of job specifications (which results from ineffective job analysis) makes the recruiting task more difficult than necessary. Of the 36 staff interviewed, 12 had acquired their job by personal request or a personal approach from incumbent staff and 2 had acquired a different job from that applied for. Whilst recruitment is essentially a qualitative area it needs to be less subjective than this!

Labour turnover for the Society for the period July 1977 - March 1978 was at an equivalent annual rate of 20%. The equivalent figure for cashiers was 40% and this indicates a need to investigate their employment in particular.

As far as possible the supervisor concerned should play a major role in the final selection of his/her staff but this point has been overlooked on many occasions - particularly in the employment of cashiers.

The probation procedure is inconsistent in terms as well as in application with no method of assessment built in to aid in either confirming or cancelling employment.

Induction - Little or no induction training is carried out and new employees obtain knowledge of the Society and its history, objectives, general policy and procedures informally over time. This is inefficient and can lead to the type of communication problems mentioned previously. One induction programme (for a part-time marketing employee) was observed in the personnel files.

Training - Formal training programmes have and are being used in particular areas but are not generally utilised. A group programme for Branch Supervisors has been run but comments by participants indicated its ineffectiveness in some parts. The group programme for cashiers is not structured as a guide to training activities but is merely a list of terminal operating procedures. Many comments were made regarding the need to put more emphasis on new employee training (for groups and individuals) and on the retraining of present employees.

Development - An examination of the organisation in terms of people's present performance and promotion potential shows that many senior positions could not be filled adequately from within the Society should they become vacant. A number of people recognise their lack of management skill and the need for it to be developed if they are going to progress in the organisation. The Dale Carnegie course run recently has been an attempt to begin the development process. However, there needs to be a concurrent rationalisation of the total personnel function because such development can only proceed when the environment is ready to absorb the principles and practices advised by this and other such package programmes. In the final analysis most development occurs on-the-job under the direct impact of an individual's manager or supervisor. Each manager's skill at developing people needs improving if there is to be real progress in this area.

#### 3.4 Assessment and Rewards

No formal system of assessment/appraisal of performance is evident. This is not necessarily a disadvantage providing supervisors and managers are aware of the need to appraise performance on a continuing basis and have the skill to do so informally. However, such awareness and skill is also lacking. There must be some means used to make judgemental decisions on performance in regard to the annual salary and for promotions but no written material was found relating to this. A number of comments suggested that personalities or politics formed the basis for such decisions but most people had no idea how they were made. Appraisal for development purposes has not been considered, as far as could be ascertained, except in rare circumstances.



The common response to the question "how do you find out how you are getting on?" was "when no one complains I presume everything is OK".

Of the 36 people interviewed 17 were happy with their wage or salary and 19 were dissatisfied. An age/grade/salary chart was compiled and shows areas where grade differentials are quite variable and a resulting salary curve that does not appear to have a logical base (See Appendix 4). The reasons for placing an employee on to the monthly salary list was not clear and some surprise omissions are apparent e.g. Loans Controller, Agencies Controllers, Personnel Officer. The decision-making process which classifies people into graded positions is not formalised and some of the gradings seemed unusual e.g. -

- a) Loans supervisor - not graded  
Loans receptionist - graded 1B
- b) Branch supervisors - graded 1B  
Secretary - graded 1D
- c) Computer Operations Officer - graded 2D  
Computer Operator - graded 2D+  
(both above classified as computer operator but the Officer is supervisor).
- d) Discharge Officer - graded 1C  
Arrears Supervisor and Settlements Supervisor - not graded.

Differences in policy were noted when some promotions are accompanied by pay rises and some are not and the procedure for informing employees of rises was inconsistent.

The superannuation scheme received some adverse comment both in relation to the why, when and how of being invited to join and its value if one did join. Flexi-time seemed to be well accepted with a few noting that it had got out of control and a plea for it to be included as a benefit for Head Office branch cashiers.

The home loans to employees scheme was seen by some as not being fair in its application to single women as opposed to married women and in its treatment of second loans when the initial one was paid out.

The grooming allowance varies from person to person receiving it - \$42 per year being the lowest quoted and \$90 per year being the highest.



### 3.5 Job Satisfaction and Conditions

Most people seemed satisfied with their job and there was a general feeling of loyalty to the Society and its management. However, interesting and challenging jobs are often being frustrated by the problems described in earlier sections. The feeling that satisfaction is not enough and must be accompanied by the opportunity to participate and contribute unused potential came across in many interviews and is echoed in the survey results.

Dissatisfaction with the Head office building was a common complaint - the only problem voiced to any extent regarding conditions.

There are a number of specific points made in response to the survey open question and an examination of these answers (Appendix 3) will highlight them. For example, clearance duties on cheques, security system attention, Cashiers meetings, double standards, loans favouritism; to name a few.

#### 4. RECOMMENDATIONS AND THEIR JUSTIFICATION

##### 4.1 Objectives, Structures and Jobs

Top management should develop general goal and policy statements as a guide to setting specific and measurable objectives for all departments. These objectives will enable departments to develop sub-objectives for each section and individual objectives for each employee. Such objectives can easily become the basis for an employee assessment scheme providing they are developed on a consultative basis. Management must decide on the areas which require attention but the following list offers a guide - i.e. -

- Market standing
- Innovation
- Productivity
- Physical and financial resources
- Profitability
- Manager performance and development
- Worker performance and attitude
- Public responsibility.

With standards set in these areas actual performance is more easily monitored and future planning is given a firmer base.

The structure of the Society is capable of serving current needs but suffers from the problems discussed in Section 3. Attention to the minor problems of job titles and duplication of duties and the major problem of over-administration is possible without major structural change. However, this is an ideal opportunity to re-design the structure with a view to improving the marketing thrust of the organisation and placing some functions in more logical and useful relationship and improving communications. Many alternatives were considered but the structure which seems to provide the greatest benefit with least cost (in money and resistance terms) is shown in outline in Appendix 5. A committee system to facilitate upwards and downwards communication is also shown on this outline.

Whether or not the structure suggested is implemented there must be a comprehensive job analysis performed to form the basis for possible job re-design and for writing job and man specifications to aid in recruitment, assessment, training and development and future establishment planning.

The structure of the loans department needs closer examination with a view to reducing the confusion over authority and responsibility relationships.

#### 4.2 Communication

The structure proposed in section 4.1 will go a long way towards reducing communication problems. Job analysis and consultative objective setting will also assist in this reduction. Solutions proposed in later sections (induction and training) will be further means of assisting towards more effective communication. Apart from these however, a specific effort towards generating two-way communication is suggested. The group results of the attitude survey should be given back to the people who generated them and their ideas solicited on what could be done to overcome the problems identified and to build on the strengths noted. These problem solving sessions should be conducted in the following groups -

- . Management group and management committee
- . Department by department with supervisors and subordinates together (in larger departments two groups would be needed).

The leader/facilitator for these sessions would be the writer. The confrontation and discussion should have positive results and the possibility of further meetings/actions could be left to the group to resolve (providing top management is kept informed). These sessions could also be used as general information sessions to make staff more aware of the Society and its goals.

#### 4.3 Recruitment, Selection and Training

A first priority in regard to personnel is to develop policy guidelines for the area. (As mentioned in section 4.1 these guidelines are required for all functions). The top management group and the personnel specialist must undertake this task. Whatever general policy is decided upon and whether the structure in Appendix 5 is implemented or not, there are a number of specific issues that need attention as soon as possible.

- a) The personnel records and files to be updated particularly in regard to employee information. If a Personnel unit is established, all records should be centralised there.
- b) Job analysis of the Branch Supervisor and Cashier jobs as a first priority followed by analysis of all other jobs in the society department by department.

- c) Job analyses to be used to rationalise jobs as necessary and to provide data for preparing job and man specifications to aid in recruitment and induction training.
- d) Every new employee (whether employed individually or as part of a group) requires a specific induction training programme. This would be a personnel responsibility in close liaison with the relevant supervisor.
- e) The Cashier training programme should be re-structured to relate more closely to the actual branch activities (see (b)).
- f) Specific training needs isolated by job analysis should be incorporated into a continuing re-training scheme for present employees.
- g) Current management performance should be appraised in light of present and future needs and a programme of management development designed which would incorporate the concept of self-development and on-the-job coaching as its prime basis. (A management potential profile has been commenced and is available for examination if required).

Implementation of the above cannot help but improve the image of people-management in the Society.

#### 4.4 Assessment and Rewards

As mentioned in 4.1, clear measurable objectives can become the basis for an assessment programme which can be used for judgemental and developmental purposes. It is recommended that a formal system of appraisal based on objectives is designed and that its implementation is clearly divided into two stages - the judgemental stage for salary reviews and the development stage for training and career development purposes.

Putting such a system to work should be accompanied by a training programme which would include not only the methodology of the formal system but also the need for continuous informal appraisal of performance. It should be noted that objectives also incorporate the performance standards necessary to achieve them.



The whole wage and salary system needs a closer investigation in order to be able to explain the anomalies and policy differences noted in 3.4. Enough dissatisfaction with wages was expressed to imply that rewards are not always commensurate with effort and this relationship must be given more attention.

#### 4.5 Job Satisfaction and Conditions

The recommendations made earlier will do much to improve the problems of non-participation and unused potential. The Head Office building and its condition is an issue beyond the scope of this report.

Management would be well advised to examine the points raised by staff in response to the survey open question. There are many specific issues raised which may or may not be valid. Examination and discussion of these issues will enable action to be taken if it is thought that implementation of points made will improve the operation.

## 5. OPERATIONAL DESIGN FOR IMPLEMENTING RECOMMENDATIONS

Appendix 6 indicates the plan for implementing the recommendation made in section 4. Such a plan can only be a guide given the nature of the changes recommended. However, the design gives some indication of priorities, responsibilities and the sub-times and total time thought necessary for implementation.

## 6. CONCLUSION

The investigator has appreciated the chance of examining in some detail, an on-going practical organisation. This type of exercise would be beneficial to many Companies and the management of Home Building Society deserve credit for allowing such scrutiny of their operation. Many of the problems isolated are not unique to this organisation and it must be remembered that the organisation is relatively successful despite these problems. It is to be hoped that these problems can be looked at as opportunities rather than difficulties to be overcome. Viewed in this light, Home Building Society may well find that the exercise has presented them with as many opportunities to improve performance as it has problems to be solved.

HOME BUILDING SOCIETY

Name \_\_\_\_\_

This interview is structured around questions about your job and about the Society you work for. The interviewer, Roger Smith from the Western Australian Institute of Technology, has been retained by the Society as an adviser on Personnel & Training. The interview is to help him do this job.

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1. What is your job title?
2. To whom do you report? (Directly & Indirectly)
3. Who reports to you? (Directly & Indirectly)
4. What are your duties and responsibilities?
5. Are your duties and responsibilities written down?
6. How long have you been doing your present job?
7. How did you obtain your present job?
  - a) Recruited within? - How?  
  
- From Where?
  - b) Recruited outside? - How?  
  
- From Where?
8. Did you receive any Society training for your present job? (What kind?)
9. How long did it take you to learn your present job?
10. Are you carrying out your duties and responsibilities to your satisfaction? (How do you know?)
11. How do you find out from your supervisor how well you are doing at your job?

12. How often do you find this out?
13. Do you receive enough information and instruction about policy, methods, etc. to enable you to do your job properly?
14. What kinds of information/instruction do you feel you are lacking?
15. Are you under much pressure in this job?
16. What kinds of pressure?
17. From what you know of comparable jobs outside the company, are you adequately paid for what you do? (Above or below?)
18. Do you have any fringe benefits in this job? What kinds?
19. What do you see as your next move in the Society?
20. What suggestions do you have to improve your job?
  - Equipment:
  - Methods:
  - Conditions:
  - Organisation:
21. Do you find your job interesting and challenging, or routine and dull?
22. What are the most critical problems for your department in the future?
23. Any final comments?



HOW DO YOU FEEL ABOUT THE SOCIETY?

For each of the items described and scaled below place a P above the number that represents how you see the Society's present position and an F below the number that represents how you would like to see the Society in future.

Please use this opportunity to express your true feelings because we will be consolidating all the answers for group results rather than retaining individual answers.

1. MOTIVATION. The degree to which you feel that you are being recognised and praised for good work rather than being ignored, criticized or punished when something goes wrong.

You are ignored,  
punished or criticized.

0	1	2	3	4	5	6	7	8	9	10

You are recognised and  
rewarded positively.

2. STANDARDS. The emphasis the Society puts on safe, high quality, efficient production and service.

Standards very low  
or non-existent and  
control not apparent.

0	1	2	3	4	5	6	7	8	9	10

High challenging standards  
are set and met and per-  
formance checked regularly.

3. SUPPORT. The feeling that good relationships exist in the Society and that grievances are dealt with in an atmosphere of trust and fairness.

Support and  
morale low.

0	1	2	3	4	5	6	7	8	9	10

Support and morale high.

4. RESPONSIBILITY. You are given personal responsibility to get on with your job and can participate in decisions which affect you and solve problems without being checked each step of the way.

No responsibility or  
chance to participate  
is given.

0	1	2	3	4	5	6	7	8	9	10

There is a great emphasis  
on personal responsibility  
and participation in  
decisions.

5. OBJECTIVES. The extent to which you have a clear knowledge and understanding of what is expected of you and of what the Society is hoping to achieve.

There are no clear  
objectives set for the  
Society or individuals.

0	1	2	3	4	5	6	7	8	9	10

Everyone knows what is  
expected of them.

- 2 -

6. LEADERSHIP. Your rating of the quality of supervision and the loyalty and respect you feel towards supervisors. The extent to which supervisors show an awareness of peoples' needs as well as the Society's technical needs.

Quality poor and supervisor's held in low esteem.

0	1	2	3	4	5	6	7	8	9	10	

Leadership standard high with positive, fair and helpful treatment of subordinates by expert supervisors.

7. PUBLIC RELATIONS. How you would judge the attitude of clients, suppliers and other groups and individuals with whom the Society deals, towards the Society, its people, its operation and its services.

Poor public image resulting from off-hand or inefficient operation.

0	1	2	3	4	5	6	7	8	9	10	

Public image excellent because of courteous, efficient and co-operative operation.

8. COMMUNICATION. The degree to which there are free and open information flows up, down and across the Society structure and the extent to which you feel you have enough information to do your job well.

Communication blocks, too much or too little information leading to conflict, confusion and mistakes.

0	1	2	3	4	5	6	7	8	9	10	

Clear channels of communication which carry relevant information to where it is needed to ensure harmony and efficiency.

9. PEOPLE MANAGEMENT. Selection, introduction to jobs, training and development and appraisal of performance are carried out in a planned and systematic manner so that you are developing skills and knowledge progressively and continuously to enable you to improve and maintain your performance now and in future.

Personnel methods haphazard and ineffective resulting in learning and improving mainly by trial and error.

0	1	2	3	4	5	6	7	8	9	10	

Planned and guided development results in improving performance fairly quickly and effectively and maintaining it at a high level.

10. EQUIPMENT, METHODS & PROCEDURES. The degree to which methods and procedures are followed because they work and give the best results, and equipment is suitable to the jobs to be done and maintained on a regular basis.

Methods and procedures out-of-date or not followed.  
Equipment unsuitable.

0	1	2	3	4	5	6	7	8	9	10	

Methods, procedures and equipment all suitable and effective and kept that way.

- 3 -

11. REWARDS. Your assessment of the relationship between the work you are expected to do and the responsibility you have and the pay and other benefits you receive. Bear in mind the conditions in which you work and also how your rewards compare with others doing similar jobs elsewhere.

No relationship between work load and reward. Pay and benefits inadequate in comparison to other jobs.

0	1	2	3	4	5	6	7	8	9	10

Rewarded adequately for performance in comparison to others inside and outside the Society who do a similar job.

12. CONFORMITY. The extent to which you are expected to conform to set policies and procedures without having the opportunity to suggest new ideas or amendments. Whether or not the Society is adaptable and willing to change or rigid and set in its ways.

Society rigid and inflexible and expects people to conform without question. Change slow and difficult.

0	1	2	3	4	5	6	7	8	9	10

Society very adaptable and open to new ideas and easy to change. Guidelines set but flexibility allowed within them.

13. UNIONS. The Society's attitude towards Unions and the degree to which they communicate and negotiate with them and accept their role in business.

Antagonistic attitude and a failure to deal with Unions on an open, practical face-to-face manner.

0	1	2	3	4	5	6	7	8	9	10

Unions accepted as a part of Society operation and dealt with accordingly.

14. STRUCTURE. The extent to which your role and that of others in the Society is defined clearly (duties, authorities, responsibilities) so that no conflicting overlaps occur which prevent effective performance.

Roles not clear, relationships vague and authority so confused as to cause major operating problems.

0	1	2	3	4	5	6	7	8	9	10

Roles clear and well known within a structure which aids operation and helps prevent confusion and conflict.

15. EMPLOYEES. How you see the quality of the people who work for the Society - their knowledge, skills and attitude.

The skills and attitudes of the workforce are poor.

0	1	2	3	4	5	6	7	8	9	10

The Society has a skilled workforce capable and willing to perform the work asked of it.

16. Take this opportunity to note briefly any other feelings you have about the Society which you think would help us assess its strengths and weaknesses.

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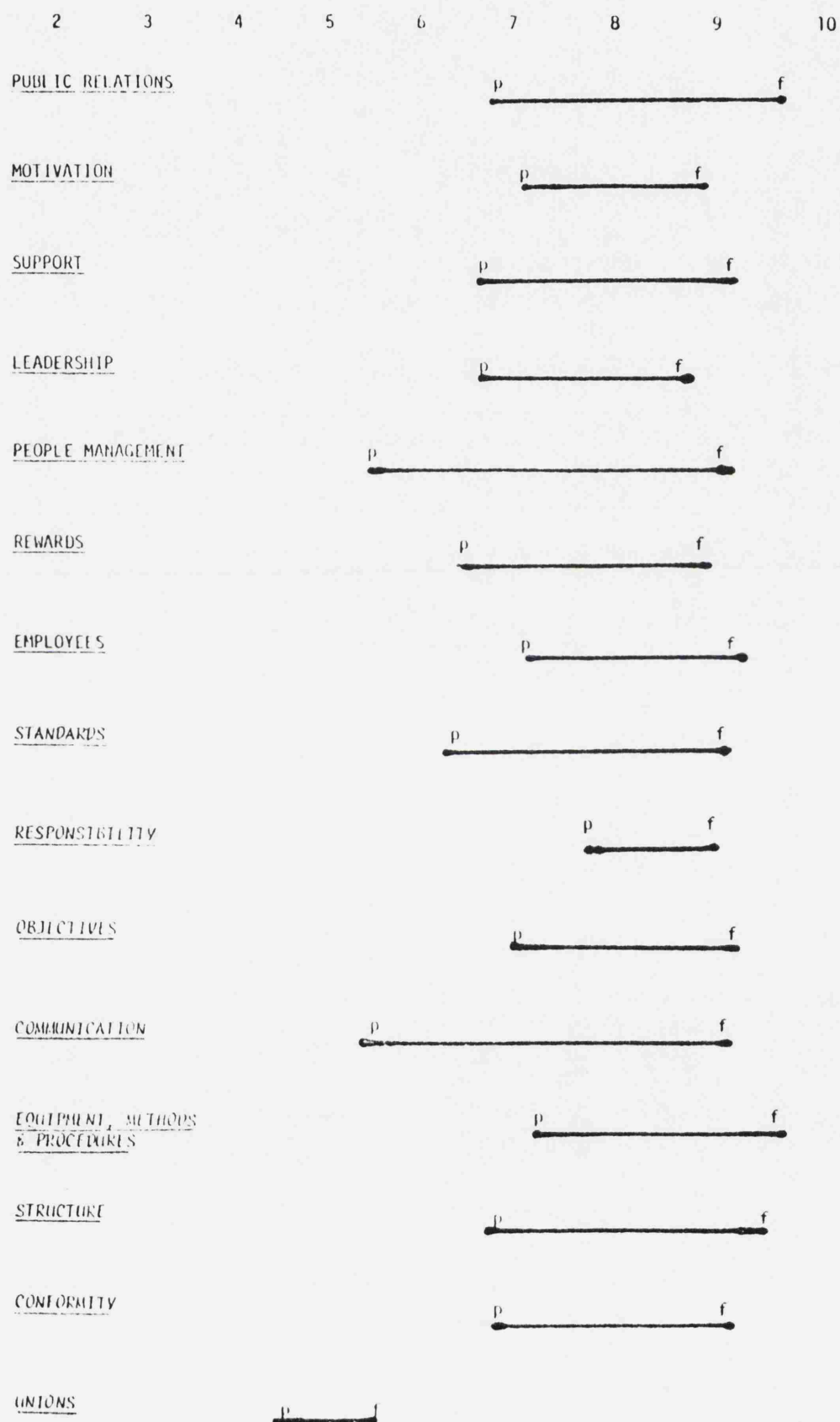
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17. My Department is: \_\_\_\_\_

## PROFILE 1.

RESULT FOR COMBINED RESPONSES



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T I M E	A C T I V I T Y   A N D   M E T H O D	R E S P O N S I B I L I T Y
1 - 1½ months	Receive report, study, discuss and plan future action on basis of recommendations or amended recommendations suggested future action (if recommendations generally accepted) follows below	Management and WAIT-AID
1 month	. Set goals and policy for Society and functional areas	Management and WAIT-AID
1½ months	. Do job analysis of branch operation and write job specifications and re-design training programmes for cashiers and branch supervisors	WAIT-AID/ Personnel
2 months	. Implement organizational changes	Management and WAIT-AID
2 months	. Run initial feedback information sessions for groups involved in attitude survey	WAIT-AID
6 months	. Job analysis and objective setting to be conducted over all sections. Job specifications to be written and re-training needs analysed and satisfied.	WAIT-AID/ Personnel
1 month	. Salary schedules to be reviewed and revised and benefits system evaluated.	WAIT-AID/ Management
1 month	. Review, revise and update personnel records and files	WAIT-AID/ Personnel
3 months	. Design a programme of management development based on careful needs analysis	WAIT-AID Management
2 months	. Develop and instal a system of performance appraisal for all employees	WAIT-AID/ Management

- Notes:
- 1) The above programme occupies approximately 12 months of activity.
  - 2) Induction programmes should be designed for each individual or group of individual who join in the Society in future. This would be a Personnel responsibility.
  - 3) Examination of comments shown in Appendix 3 to be done during the first 1-1½ months period.

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Western Australia 6102  
Telephone 68 5511  
Telex AA 92983



PHONE: 350.7347

WAIT-AID LTD

28th August, 1978.

File No.: 78/2486

Reply to: RS:ds

Your Ref.:

MEMO TO: General Manager, HOME BUILDING SOCIETY

FROM: Roger Smith, WAIT

Subject: RESULTS OF FEEDBACK/INFORMATION SESSIONS WITH STAFF

As outlined in the activity programme attached to my original report, I have conducted a series of sessions with the staff groups who filled in the attitude survey - from cashiers to the executive group. These were held during July-August and I thought that you would be interested in my perceptions of the "state of the nation" as received via these sessions. Once again, rather than deal with individual comment I will attempt to describe only feelings which reflect group opinion.

It was expressed on a number of occasions that the opportunity to see the results of the survey and to be given a chance to discuss them was appreciated.

People were not dismayed to see that communication and people management rated so poorly and felt that the survey did in fact indicate particular problem areas as seen by staff. Whilst staff have seen positive steps taken to improve people management, my feeling is that if the survey was run again at this time the results for the communication question would probably be much the same. In other words, people have not yet seen significant progress in this major problem area despite the acceptance of the report and its recommendations by management. Expressed feelings by most groups still indicate that upward communication (particularly of ideas and opinions) is not encouraged and that downward communication is often arbitrary and final.

Whilst I pointed out that every staff member has a responsibility for initiating and sponsoring free and open communication the typical response to this was that the climate must be set at the top levels of the Society. It is by their words and actions that management indicates that expression of opinion and feeling is encouraged and that downward communication is not confined to a favoured few. The expression "its not what you know but who you know" still gets sufficient air time to lead one to suspect that it has an element of truth.

- 2 -

Again, it is the middle level of management (management group) who express most frustration with the system. Rightly or wrongly they still see the following issues affecting their performance:

- \* inequalities in the application of policy and the dissemination of information
- \* incapacity to deal with many situations because they don't have sufficient authority delegated to them
- \* undermining of whatever authority they do have because formal communication and problem solving channels are often by-passed.

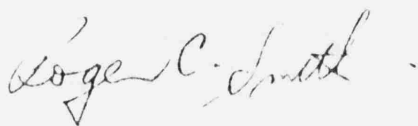
As a group they tend to be hesitant, unsure, insecure and wary.

Management's dilemma in any organisation is, that in order to be able to delegate authority and create responsibility for its use they must have staff capable of handling such authority and of furthering the organisations objectives. Even with well trained and capable staff, easing the reins can be a risky venture. However, holding tightly to the reins with not so capable staff is no guarantee of control because it can lead to the sorts of problems described above which have a negative effect on performance.

I think that the programme we are embarked on at the moment will do a lot to help in the resolution of this dilemma within the Society.

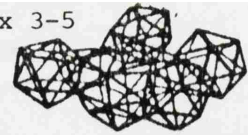
At each meeting I have stressed that a programme of change of the nature we are undertaking is a long term project and progress in the short term will be difficult to see and harder to measure. The programme has to be balanced against the operating needs of the Society which may upset temporarily the personal priorities set by individuals.

In view of the brevity of this memo you may care to discuss some of the points made - if so I would be happy to oblige. There would certainly seem to me to be a need to speed up the introduction of the management development programme in view of the continuing problems in the management group. Other activities scheduled in the report are proceeding as planned and I will present a detailed report on these on or about mid-September.



ROGER C. SMITH  
CONSULTANT  
WAIT-AID LTD





MINUTE WAIT AID LTD

TO GENERAL MANAGER, HOME BUILDING SOCIETY

FROM ROGER SMITH - WAIT.

SUBJECT REPORT ON CONSULTING ACTIVITIES

DATE 29th September, 1978 FILE NR. 78 2486

I noted in my memo of 28th August, 1978 that I would present a further report on activities programmed in my initial report. The following points are made in this regard.

- . The job analysis of the Branch operation has taken longer than anticipated but is now nearing completion. Job descriptions have been drafted and will be circulated to those concerned for comment prior to final typing. Re-design of the Cashiers training programme and the Branch Supervisors training programme has begun and should not take long to finalise. Job analysis has commenced at Head Office and will proceed Department by Department.
- . The Training Officer has designed a general induction programme for new staff and will be running the first of these early next month. In addition he has designed and completed one course for two regional office cashiers. With amendment based on evaluations this course will achieve its objectives.
- . All staff have now completed the application form and a personnel file is open on each employee.
- . The personnel administration filing system has been reviewed and changed - it is now in operation but will probably need further modification as use indicates particular problems.
- . A proposed programme for a residential week-end workshop for supervisors and managers has been drafted and will be submitted shortly for discussion and decision. This is seen as being a useful and necessary first step in a management development programme.
- . A large organisation (or manning) chart has been prepared and is in process of being neatly drawn by a WAIT-AID LTD technical assistant. It's form is based on discussions with supervisors and managers and is as near to the "real" organisation as can be ascertained. This will be used to clarify roles and relationships and titles and also as an aid in induction courses.
- . The setting of goals and objectives for functional areas is, as far as is known, proceeding. There has been no consulting involvement in this activity.

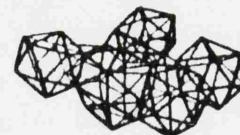
- . Material and ideas are being gathered in regard to designing an appraisal system for staff.
- . The Staff Handbook is in process of revision.
- . The only area in which no action at all has been taken is in the salaries and benefits area. Perhaps the approach to this should be the subject of discussion between us (WAIT-AID and executive) prior to work commencing on this rather sensitive material.



ROGER C. SMITH  
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Appendix 3-6



WAIT-AID LTD.

5th June, 1979.

File No.: RS/SJ.

Reply to: 78/2486

Your Ref.:

MEMO TO: General Manager, Home Building Society  
FROM: Mr. Roger Smith, WAIT-AID LTD. Consultant  
SUBJECT: Interim final report on consulting activity over period  
July, 1978 - May, 1979.

Following my written report of 29th September, 1978. the bulk of the reporting in the area of my activity has been carried out by Douglas Gomes on a monthly basis. My reports have been informal and on a one-to-one basis to management or via the executive meeting at appropriate times. However, as the contract is nearing its end a more formal submission has been thought necessary.

The report sections will follow the format of the action plan presented in my report of the initial personnel investigation i.e.

- . Goals and objectives
- . Branch operation - job analysis and training
- . Organization changes
- . Job analysis in all departments
- . Salary scheme review
- . Personnel records and files
- . Manager development programme
- . Performance appraisal

In addition a comment will be made on the siting of the personnel unit as well as a general statement of progress and plans for the future.

#### GOALS AND OBJECTIVES

Much of the work on this has been initiated and followed up by the executive committee. The basic approach and method seems to have been along the lines proposed in the Dale Carnegie Course. To the best of my knowledge the statements that have been developed relate to each of the functional departments and have been quantified to some extent. In one department (marketing) the objectives are

translated into position descriptions and key results specifications as prescribed by the Dale Carnegie Course. There is a possibility that some disparity will be evident between these descriptions and the results of job analysis i.e. a good chance that analysis will reveal differences between what is thought to be done and what is actually done.

The effort put in to objectives definition has been valuable but has not been extended far enough down the line and may have suffered from a lack of co-ordination with the analysis task.

There appears to be a good grasp at executive level of the direction in which the Society is going but there are still problems in communicating this sense of direction to middle management and below.

#### BRANCH OPERATION - Job analysis and training

The job analysis of jobs of branch supervisor/manager and cashier were completed and agreed job descriptions written and distributed. One of the main tasks of the Training Officer following his appointment was to re-structure the training programmes for these two levels of staff. These programmes now operate and have been well accepted by participants and by current staff. The job specifications arising from the job descriptions have been a useful base for recruiting cashiers and supervisors.

As well as introductory training for these staff, further courses have been developed for supervisors (2 day) and for cashiers (1 day) which follow-up and re-inforce on-the-job training and experience.

Douglas Gomes has both of these training areas well covered and has organised assistance in course running in an effective manner. Kerry Haynes has attended a course in instructional technique but needs to become more involved in training if this is not to be wasted.

The agencies have also benefited from the emphasis on operator level training and a number of agency cashiers have received formal training in the cashier job. Positive feedback has been generated during these courses and there are indications that they are improving branch and agency performance.

#### ORGANISATION CHANGES

Although a number of points were raised in the original report regarding structure and anomalies in titles/functions little action has occurred. The concept of departmental meetings has been initiated but is applied inconsistently (e.g. administration have regular meetings, other departments are not so regular!)

The problem of relationships between marketing and the rest of the Society and relationships within that department have not been solved. In fact they could be exacerbated by introducing another management level into the marketing department hierarchy unless the incumbent has special qualities as a manager and communicator.

A large organisation chart showing all jobs in the Society is now on display for staff information and discussion. It requires up-dating quite frequently. The structure of the Society is a major determinant of organizational behaviour and effectiveness. It should not be altered without a great deal of thought - often a change of procedure or machine seems to receive more attention than a change in structural relationships.

#### JOB ANALYSIS IN ALL DEPARTMENTS

This is taking longer than expected because of a poor estimate by the consultant and because of operating factors which have prevented full time effort on the task.

Following conclusion of branches analysis Rob Jebb undertook to cover the loans section. Although this has been completed the investigation high-lighted problems with structure and procedure that have to be overcome before job descriptions can be written. In addition the computerisation of the sections activities and the creation of a new interface with marketing (Loans Marketing Controller) has complicated the issue. Rob has left loans until things become clearer and has begun to work through the remainder of the Administration Department.

Douglas Gomes is fitting in the analysis of the Accounting Department between his training work. All questionnaires have been completed and he is part way through the associated interviews.

Marketing and E.D.P. have not been involved as yet. In discussion with Rob and Douglas we have agreed that all job analysis/and succeeding job descriptions) would be completed by December, 1979 at the latest. This should be possible in the quieter August - November period.

Analysis is the real key to straightening out intra-department structural and procedural problems and is also the basis for effective utilisation of the Progress Review and Action Programme.

#### SALARY SCHEME REVIEW

A proposal has been submitted as a starting point for a revised wage and salary scheme. Discussion on this proposal has commenced and will continue as a number of points of principle and practice are in argument and need to be resolved.

#### PERSONNEL RECORDS AND FILES

The personnel filing system was reviewed and revised late in 1978 and is now operating as revised. There are still some problems regarding its use but these are being corrected by staff concerned. A new application form was compiled and has been in use for eight months. All staff completed the new form and this has become part of a personal file on each person.

The Training Officer has also developed a system for recording all training undertaken by each staff member as well as a system of reporting and recording which is of great assistance to him in managing the training function.

#### MANAGER/SUPERVISOR DEVELOPMENT PROGRAMME.

A discussion document has just been completed and will be submitted along with this report. The document declares the operating principles which it is felt should guide such a programme and suggests some specific activities which could be commenced.

The problem solving workshop held late in 1978 was an innovative and useful activity in this area. Some head office supervisors have participated in a short version of the Branch Supervisors Course. This could well be extended to all supervisors in head office.

#### PERFORMANCE APPRAISAL

The Society has agreed to the proposals made on a Progress Review and Action Programme. Following discussion at executive level and a presentation of the scheme to the management group, a pilot run has been initiated in the E.D.P. department. This has now reached the interview stage and final results should be in by 8th June. The application and its results will be evaluated prior to presentation to the executive and the management group. Further decisions on implementation can then be made.

This scheme is the linch-pin of the personnel and training function operation as it provides input for planning, a monitoring mechanism for performance and a means of two-way communication throughout the Society.

#### SITING OF THE PERSONNEL UNIT

In the original report comment was made upon the low status held by the personnel function in the Society. It was suggested that this could have been partly due to the low structural position it held. One of the recommendations made was to set up a Personnel unit reporting directly to the Assistant General Manager. Not being related to an operating department would have advantages in terms of autonomy and ability to serve all departments equally. Reporting to the Acting General Manager would place personnel in a very visible position with direct access to top management.

There seems no reason to change this recommendation in the light of experience over the past year. The loans department and the new building have priority in Administration Departments operation - personnel and training have been functioning as a unit within this Department anyway.



One problem in re-siting the unit is in regard to its management. There are difficulties involved with placing either Douglas Gomes or Rob Jebb in charge. They work well together and this good relationship could easily be destroyed by creating a vertical hierarchy in the unit. Certainly in the short term, management direction and control could be exercised by the Acting General Manager. Experience would determine whether or not a changed arrangement was necessary so the equal status system could be given a chance.

#### GENERAL COMMENT

Since the beginning of the contract (July-August 1978) there has been a considerable strengthening of the personnel training function with subsequent benefits to the operation. There is obviously a lot more to do but the ground work has been done and progress should be quicker from now on. From feedback obtained there is still a feeling that communication channels between middle management and the executive group are not as open as they could be, with the marketing department still little improved over last year.

The attitude survey will be conducted again shortly so that a more informed judgement on progress can be made.

#### FUTURE

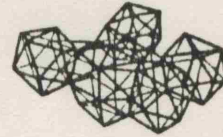
Actual hours spent on the project by 30th June, will likely short-fall the contract upper limit by about 30 hours. It would be useful if these hours were allocated to a continuation of consulting work until early in September so that assistance could be given to implementing the Progress Review and Action Programme and to finalising plans in regard to the Salary Scheme and the Manager Development Programme. After September, with management of developed activity, continuation of job analysis and consolidation work associated with these, the personnel and training staff will have their time heavily committed.

The writer would like to have the opportunity of re-visiting the Society at the conclusion of study leave in order to see how the initiatives taken over the past year have been carried on. There is also a possibility of arranging a period of research within a Building Society in the U.K. - providing contact can be made with one. The comparison and information gained may be of use to Home Building Society if it can be set up.

#### CONCLUSION

This interim report summarises the work carried out during the course of the contract between WAIT-AID LTD and Home Building Society. A final report giving a more subjective personal assessment of the contract will be forwarded after the end of June.

*Roger C. Smith*



File No.: 78 2486  
Reply to: RS/SJ.  
Your Ref.:

..12.



- . I received excellent co-operation from staff at all levels whether seeking information, giving it or working on joint projects.
- . Some activities occurred which I would have liked to have been consulted upon e.g. appointment of Business Development Officer, new staff loans policy, re-organization of loans marketing. However I recognise the managements right to take actions without involving me! I just felt that I had contributions to make in these areas and I was available and was being paid!!
- . We never did seem to come to grip with the Marketing Department problems. They existed, we all knew about them but we never really faced up to them. I feel remiss in not having had much more contact with Lloyd Nelson. His feeling is (I think) that I've been over critical of the relationships in Marketing and this had led to an under-current of resentment towards some of the personnel plans being implemented. My failure to work with Lloyd is one of the major sources of some disappointment in the consulting activity.
- . I still have a feeling that the executive group pays lip service to the idea of sponsoring upward communication and involving middle management in decisions affecting them. Maybe I'm wrong - I hope so. In the latest survey communication is still perceived as a major problem and I would have thought that a determined effort over the past year would have improved the situation. Does the executive group feel that they do encourage two-way communication and that lower level response that they don't is just belly-aching? Perhaps this would make a good discussion point at a future meeting. After the enthusiasm generated by the weekend seminar last year I feel I erred in not following up this area in positive ways this year.
- . I'm delighted with the improvement in the personnel and training function. Much of this is due to Douglas Gomes who is a professional in his job, but Rob Jebb also deserves credit for his efforts. I know that Rob is not held in high regard by management but I feel he has much to contribute given the opportunity. A little more consultation with Rob on personnel policy and procedure changes prior to their general exposure would get him more on side.
- . A couple of more chances to talk to the Board would have been appreciated. They play a big role in the Society operation and I would have liked to have got to know them a little better.

- . In retrospect I feel that I should have spent more time with the executive group discussing and developing concepts of personnel management and ideas for improving performance. We never really seemed to have an open session in which doubts and antagonisms were expressed. There is still a varied commitment to the programme by members of the executive group and I should have worked more on getting people to open up and thrash issues out.
- . Despite my comments above, I'm reasonably satisfied that progress has been made towards the objectives set for personnel management in June - July 1978. It has been a unique learning experience for me and I hope that the Society has received value for the money expended.

## 2) Attitude Survey.

The results of the latest survey are attached and they have been compiled in such a way that direct comparison with the 1978 survey can be carried out. General points that arise are as follows:

- . There were 60 responses to the open ended question this time as opposed to 88 last time. The comments made are much the same although of course, there are less of them. Once again they provide a great deal of food for thought. They are individual comments and must be read as such but some points are repeated (e.g. poor communications) and gain strength as group opinions.
- . Communication still appears to be a problem area highlighted by the profiles.
- . Personnel Management has shown an improvement in all profiles.
- . Middle management results are better on most items than last time.
- . Equipment methods and procedures has taken over as a major problem area.
- . Motivation also seems to have decreased in most profiles.
- . E.D.P. has shown most improvement on all variables measured.
- . Marketing results (profile 7) indicate a more satisfied group than before although management group results still low on some variables.

Although difficult to generalise it seems fair to say that personnel management has improved, communication is still a problem and motivation and equipment etc. have entered the low satisfaction ratings.

My feeling is that the total result is an improvement over last year's survey.

### 3) The Coming Year

Most of my comments on the future were included in my interim report. These related to the following:

- . Continuation and completion of job analysis and resultant job descriptions to be kept by individuals concerned, by relevant section heads and by personnel.
- . Introduction of progress review and action programme in total - I see this as extremely important and the continuing generator of two-way information on job descriptions, job satisfaction, training needs and performance.
- . Supervisor and manager development programmes should be commenced and I think Douglas Gomes should be given responsibility for this. He could use my discussion document on this area as a starting point.
- . I would like to see the formation of a progress review and action programme committee as mentioned in the submission on this programme. Composed of one representative from each Department and chaired by the Acting General Manager it would provide a mechanism for staff participation in the review and for other matters related to staffing/personnel.
- . The formation of a personnel unit as described in my first and also my interim report would still seem reasonable. I feel that a blurring of the line between personnel and training would enable both Rob and Douglas to become more involved in each others activities and thus provide a stimulus to such activity and some cross monitoring of the performance of each in those activities.

If the unit were to grow over the following year this should occur by addition of personnel and/or training assistants so that replacement training can reduce the trauma of possible resignations by either the senior pair in the unit.

../5.

- . Final implementation of the wages and salary proposal should be completed by December and include form design and the recommendation and approval system accompanying it.

One additional item that could be effected is a set of feedback sessions on the current survey results similar to those held last year. Douglas Gomes could handle these in co-operation with Rob Jebb. Implementation of the above will occupy the 1979-80 year to the full.

#### 4) CONCLUSIONS

I feel that the Society has established a firm basis upon which to build its human resource management programme. The coming year should be seen as a period of consolidation rather than of innovation. Once again thanks to Home Building Society for the consulting opportunity. I will look forward to my return when I should like to renew acquaintances with the many friends I now have in the Society and discuss the results of the 1979-1980 operation.



ROGER SMITH  
CONSULTANT - WAIT-AID LTD.

PROFILE 1.

## RESULT FOR COMBINED RESPONSES

	1	2	3	4	5	6	7	8	9	10
PUBLIC RELATIONS							$\frac{\cdot}{P}$		$\frac{\cdot}{F}$	
MOTIVATION						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
SUPPORT						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
LEADERSHIP							$\frac{\cdot}{P}$		$\frac{\cdot}{F}$	
PEOPLE MANAGEMENT						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
REWARDS						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
EMPLOYEES							$\frac{\cdot}{P}$		$\frac{\cdot}{F}$	
STANDARDS						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
RESPONSIBILITY							$\frac{\cdot}{P}$		$\frac{\cdot}{F}$	
OBJECTIVES							$\frac{\cdot}{P}$		$\frac{\cdot}{F}$	
COMMUNICATION						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
EQUIPMENT, METHODS AND PROCEDURES						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
STRUCTURE							$\frac{\cdot}{P}$		$\frac{\cdot}{F}$	
CONFORMITY						$\frac{\cdot}{P}$			$\frac{\cdot}{F}$	
UNIONS						$\frac{\cdot}{P}$	$\frac{\cdot}{F}$			

Example of Notes Written after an Initial Interview

Day 5 - 28th March 1980 : 9.30 - 12.15 : Talked with Don Hopley,  
Branch Manager, Bath.

- \* Been with Society 30 years - started in Bournemouth and became ABM there. Began the Bath branch as manager in 1962. Tall, great talker.
- \* Happy with the job - 20 years ago may have been more ambitious. No way I would want to go to Chief Office - I'm my own boss here and after 17 years I've settled down.
- \* Most of my business is by introduction - about 2 of the 3 million I take in.
- \* I get on well with businessmen and they trust me - I don't let them down and I ask them for money ie, I do the job they expect me to do. No pussy footing.
- \* We used to have our conference in Cheltenham and were spread round number of hotels. When know Stow and Longhurst on the rounds we kept one step ahead! Now we have conference at one hotel .'. captive.
- \* When I started there were 750 Building Societies now there are about 300 or so.
- \* In Bath there are 20 branches of Societies - only three BM's are qualified and the other two are thick!
- \* Have about 7,000 account here.
- \* We don't do much in way of passing trade because we haven't a decent shop front and not many passers by (except from car park on way to town).
- \* City population is 80,000. In Devizes have only two branches .'. C&G has good chance of getting trade - it's also in

(BM = Branch Manager)

(ABM = Assistant Branch Manager)

market place. (Manager should do better he was told at the Conference!)

- \* My BDM (Bernard H) supposed to come around every 2 months but he doesn't - I don't need it anyway - I know more about getting business than he does.
- \* Many of the new BM's just haven't the experience to get new business. They should spend 2 years or so as assistants first. We have just begun training (of trainee Branch Managers) so may improve.
- \* We've got this chap Roach who feeds statistics to BAM (Spencer) who beats us with them. He set unrealistic targets for this year - doesn't he use economy as one criterion I asked him at Conference? Yes he replied but that was it.
- \* All this nonsense about statistics.
- \* Andrew L is very bright and very astute but not too good in staff relations area.
- \* The computer is God in C&G.
- \* Its alright for BAM to say he's been a branch manager but he did job at CO branch and that is a world away from what happens out here. Our cashiers can handle most queries - up there they refer people to the specialist.
- \* I've got to do a lot of entertaining for business, and its work not play as some people think.
- \* Bristol and West MD Andrew Breach better than Mr Stow at mergers.
- \* We have stayed 14-15-16 in the league of BS's but have done it by growth not by merger as some others. We are very efficient and effective as a BS.
- \* John Morrell is efficient - but too much so perhaps - but

(BDM = Business Development Manager)

(BAM = Branch Administration Manager)

does a good job, the manuals are excellent.

- \* My staff have been long timers. Bit of turnover a few years ago but OK now.
- \* Mr Stow used to visit us when not too many branches.
- \* I wouldn't join BS now - where can you go. The era of big growth is over and mergers are only option .'. redundancies! And if have 80 BM's and 4 BDM's what are the chances of promotion beyond BM - except transfers: will be in job a long time if you are a BM in early thirties say.
- \* New branches would be expected to achieve about £200,000 per month.
- \* BAM deals with us on staffing and other routine admin things - he has stopped me keeping on my part-time lunch time girl (because 'statistics' said it wasn't necessary?) and its made life a bit harder.
- \* I have delegated authority to deal with loans for up to £20,000. BM's don't get this until they have proved they can deal with such authority.
- \* Many BM's (of ours and other Societies) just say yes to mortgage requests and then can't give the goods for months because of quotas - gives bad odour to our operation. I don't say yes unless I am going to give one.
- \* In old days we only dealt with giving mortgages - now its getting money in which is number one priority.
- \* My income is being exceeded by outflow at moment (along with many others of older established branches) because interest is more attractive elsewhere. The newer branches are OK because old money is not in them for withdrawal - the statistics show the picture .'. makes us look bad compared to



- them, but nothing I can do until rates are increased or interest generally comes down.
- \* We had 4 branches when I started. Big changes began in 1965 and peaked in 1977-78.
  - \* Our building in Cheltenham much more tasteful than B&W's in Bristol.
  - \* We are outsiders in town in a way - it's the B&W which is 'local' and everyone knows.
  - (\* Gather he is not too impressed by Roach - he was moved out of computing by the way, he said.)
  - \* At the recent cashiers training course Longhurst took part in role plays - my girl caught him out when she had a customer role and he had cashier role.
  - \* Customers would rather discuss business with men than women - used example of his woman ABM who was replaced by male ABM (Roy). (In response to my comment that in Australia, HBS had all female BM's)
  - \* I wasn't worried by Jim Evans (my junior in experience etc) getting BDM job - I didn't want it anyway.
  - \* Communication in Society generally is pretty good - we are kept informed of things.
  - \* Don Litler (Bristol branch) is a good man although he operates differently to me. He's a good negotiator on the BM Committee and gets on well with everybody. ( had dinner with him last night by the way). (Me - did they discuss my visit because I had been scheduled to see Don L first?)
  - \* Don't say I said some of these things back at CO, I don't want to get in hot water (said laughingly!)

(HBS = Home Building Society)

- \* He had a luncheon appointment he couldn't break - even though he had been told I would be there for the day. He admitted he couldn't imagine what we could do which would last all day. I said half day was OK for a first meeting.
- (\* Didn't mention personnel - I should next time.)
- (\* Didn't mention advertising - I should next time.)
- \* When we get the terminal in we will be even more autonomous because we'll have access to accounts etc immediately.
- \* 3 cashiers and ABM on staff. When customer comes in, senior attends first, if another comes in then next senior deals with her and so on.
- \* Saturday requirement is hard to forecast as never sure how busy we'll be - very flexible - one week high activity, next its low.
- \* I get queries from businessmen who deal with other Societies because they know I know perhaps more than most.
- \* We paid £4,000 for this office - is it worth moving to a better location?  
(Me - get a copy of BS blue book of statistics)
- (\* He mentioned about an opening of branch at St Austell but its not on the list I received at branch development meeting yesterday!!)
- \* I was very pleasantly received at counter - they were expecting me!
- \* Appointment of BAM was logical as BDM's weren't getting out and about as they should have, being caught up in getting out figures for Longhurst and Stow more often than not.
- \* The first appointee to Branch and Agency Manager job was U/S - didn't do much but look at our books and go.

Example of Notes Written After Informal Interviewee Sponsored Contact

Day 26 - 19 May 1980 : 3.00 - 4.30 : Talked with Debra Sallis,  
Cashier, Cheltenham Branch.

- \* Pleasant young women - with C&G for 3 years. Very outspoken re the communication issue.
- \* Considers that CO people dream up schemes which then cause operating problems at the cashier end. If they asked or checked many questions could be ironed out prior to a course of action being taken.
- \* The other day my terminal rejected a /150 savings builder opening account. Asked programmer and he said it was because /100 is limit (joint) but of course it changed on 1 May!! But computing hadn't been told to change the programme.
- \* Mortgage sent out a letter on benefit of people converting to endowment scheme - it was a circular letter but they didn't tell us to expect a rush of people coming in to do it using the counterfoil provided - I got caught by not knowing.
- \* Investment do this sort of thing as well.
- \* Many brochures are misleading and also incorrect/out-of-date - (See my copies for example). Withdrawal form confusing.
- \* Don't have a decent form for change of name/address - I told them but they didn't want to know. I've given up telling them now.
- \* We are expected to do as we're told and not question their decisions.
- \* The new withdrawal form is rarely filled in correctly - designed to combine old cash and cheque forms but it is now

confusing.

- \* We have cash limit of £300 but will give £500 if customer irate. We have to bend rules if we are to accommodate people.
- \* What do we do if customer says - "I know so and so with C&G" - can be political.
- \* They seem to have plenty of money as throw out booklets and reprint like going out of fashion.
- \* The TTT scheme in Spotlight for cashier training gave us a good laugh (1 month supervision before hands on??)
- \* Cashier refreshers OK but not realistic when deal with customer relations - they don't know what we get.
- \* You can't get promotion from my position at this Branch - would have to transfer.
- \* They'll probably have Paddington Bear programme which will mean all present accounts for kids being changed instead of having a simple transfer system to reduce our work.

Documentary Evidence

- Context:
- \* Newspaper articles on Societies in UK
  - \* BSA Booklet on What Building Societies are
  - \* % share of assets table - all UK Societies
- Structure:
- \* Branch organization groupings
  - \* Organization Charts 1975-1980
  - \* 1980 executive and management job descriptions
  - \* Establishment as at 31.3.80
  - \* Objectives of Personnel and Training Department and job descriptions
- Operation:
- \* Staff wage grades and amounts
  - \* Staff committees constitutions and sample minutes
  - \* Chief Office layout and Department sitings
  - \* Monthly situation report examples
  - \* Staff assessment forms and guides to compilation
  - \* Staff application forms and employment contracts
  - \* Staff Handbook
  - \* Examples of advertising brochures
  - \* Copies of typical procedures and computer printouts
  - \* Financial reports 1969-1979
  - \* Sample training packages and programmes
- Climate:
- \* Copies of "Spotlight" and "Over the Threshold"
  - \* History of the C&G to 1950 "What Lasts a Century Can Have No Flaw"
  - \* Pamphlet produced for opening of new Chief Office in 1975

- \* Notice board announcements on typical policy areas  
eg, visitors, security, sports, recruitment, time-  
keeping and so on

TO: MR. R. C. STOW - MANAGING DIRECTOR  
 FROM: MR. ROGER C. SMITH

INITIAL REPORT OF RESEARCH ACTIVITY FROM MARCH 24th to APRIL 3rd 1980

CONFIDENTIAL

My main objective over the period - to meet and talk with all executive and management staff - has been achieved. I have also made a point of talking with representatives of the Graded Staff Committee and also to some Graded Staff employees. In addition, I visited two Branch Managers.

There have been no problems in arranging interviews and staff have been willing to speak to me about their job in the Society. I have concentrated on making contact and explaining how I see my role rather than pushing ahead with detailed questions relating to communication and information flow. This approach is necessary I feel because people need to size me up before they will commit themselves to divulging personal information on how they see the organisation - unless they trust me I'm not going to get too far.

Inevitably though, I have some impressions gained from these interviews as the odd comment here and there and the fleeting expressions of feeling (added to my observations) do build into a pattern after a while even though no one was prepared at this stage to give much away. Although ill-formed at present, and perhaps not accurate given the loose data gathering technique used, my initial thoughts are shown below.

(Points on other than communication have been added - it's often hard to draw the line between what does and what does not constitute communication).

There is no doubt in anyone's mind about the Society's operating efficiency - it is the one constant comment I met with:

"Whatever you say about the C & G, it is efficient!"

Comment on efficiency was often accompanied by some questioning of how far you can strive for operating efficiency before it becomes an end rather than a means and before concern for the people who operate the system becomes a secondary issue:

"We are more efficient but are we as happy?"

As compared with Home Building Society in Perth, the relatively low status of the marketing function in the organisation was noticeable. This may, of course, be no reflection of the attention it gets from management generally or of the effectiveness of the function itself.

It was difficult to get a clear picture of roles/responsibility/communication within the Finance/Accounting area. There were a number of expressions of doubt about expectations and relationships but there was a general feeling that it would probably sort itself out.

Branch Development & Premises is another area in which communication lines within and to and from were hard to clarify. It is also an area where, compared with administration and with finance/accounting, the executive authority given to it seems to outweigh the responsibility carried.

Continued

- The main line functions under the Deputy General Manager exhibit a complex network of dual reporting relationship, overlapping responsibilities and multiple levels which could provide a fertile ground for communication, decision making and action implementation problems. There is some evidence that these problems do exist but their extent and effect is difficult to judge at this stage.
- Perceived from below the Executive is sometimes seen as pulling in different directions. Whilst differences in ideas are expected (and desirable) when such conflicts are not resolved prior to action a certain amount of confusion and frustration is created at the lower levels.
- There could be blockages in communication between Manager level and the operating levels. Comments such as, "we only tell them what they like to hear" and, "information from Managers to us is withheld to strengthen their power base" from the operating levels indicates their presence but, once again, neither their extent nor their effect on performance.
- The average length of service of the Executive/Management group is 12 years.

Everyone's strengths and weaknesses are now probably well known and accepted and you have all learned to live with one another. This has obvious advantages but it has some drawbacks too if it leads to a failure to face personnel problems and if people give up challenging the system (constructively) and let it take over. I have seen some evidence of such apathy and also of a tendency to be motivated by security needs as opposed to growth, development, achievement and challenge needs.

- Management style is geared very much to one-to-one relationships up and down and across the organisation and this seems to leave some people at a loss in regard to exactly what is happening and what is required of them.
- There is plenty of evidence demonstrating the success of skill training in the Society. I was surprised at the gap between the big effort apparently put into training and developing Managers in the technical and procedural aspects of their job and the little effort apparently put into training them in the Management aspects of their job.
- Many comments were made regarding good working conditions, satisfactory levels of remuneration and fringe benefits. It is obvious that the Society is seen as a good employer.

I will be working at Bath University next week and will return to the C & G on 14th April 1980 to continue work. It is my intention to spend the two weeks following my return interviewing more staff at the graded level and also contacting more Branches. My next report will be given to you towards the end of the month. I also have to discuss the project with my supervisor and decide on how we would like to proceed from May on.

If there are any points in this report that you would like to talk over with me I would be delighted to meet you either today or later this month. I'm enjoying the task and look forward to continuing.



Roger C. Smith

3rd April 1980



4 April 1980 : 2.30 - 3.15 : Talk with Mr Stow on the Initial Report

- \* Concerned that no one else had report - they might start acting to cover tracks - I assured him no one else had it.
- \* He felt that the 'are we as happy' bit probably came from older members who remembered the good old days. But, he said, when I came here overtime was rife and people certainly not happy about that. But I cut it out via various changes and overtime is a dirty word now.
- \* He questioned the remarks on marketing and felt that it had fair status - he sees it as a part of production and only one level between him and Corbyn. He acknowledges that area could be a bit vague.
- \* He didn't see what problem was in regard to roles in Finance/Accounting area - all clear to him. I mentioned that Chris Jones gave him and not Vose as his immediate boss and he said "that's not right"
- \* Doubted whether situation, if as I claimed it to be, would sort itself out - would need help.
- \* Thought that Branch Development/Premises should be crystal clear - straight line from himself to Knowles to McKellar. I expanded on what I saw as role definition overlaps.
- \* Once again, in regard to comments on the DGM's area he claimed that it was fairly clear but acknowledged that perhaps some confusion could be about. I noted the many levels in mortgage area and he said it keeps him out of it!!
- \* Very concerned about the executive pulling in different directions. He agreed, yes, may happen and noted the decision on allocation of mortgage funds which he and Vose did each month

and communicated to Tim Black - if they both did it at different times may be confusing to Tim. Get more detail he said, then we can see if you're right. (or if your managers are right I said)

- \* In regard to 'fear of rocking boat' and challenging system he noted that this couldn't be so with Vose, Longhurst and Jones (only ones he mentioned) because they certainly said what they wanted to him. He wasn't so sure about levels below. Thought they offered plenty of scope for people to bring up ideas but of course, can go too far if you have to listen to every idea (even those you know won't work from experience) and then if you don't agree people get upset anyway! Need a fine balance here.
- \* Yes, you're right, we don't use the committee system here. We used meetings but lasted all day and achieved little. May be we have lost something by operating on a one-to-one style but it seems to work.
- \* He seemed interested in my comment re the lack of management training in man management and agreed that this could be causing problems.
- \* He wants me to go on and get deeper into the issues raised (even if get no more issues, we have plenty he said) but would prefer it done by same informal interview style rather than questionnaires. People talk to each other on the answers and the questions can cause problems if faulty. But I'll leave it to you to proceed as you want. If you use a questionnaire I'd like to see it.
- \* He thought it was a most useful first report and worth following up.

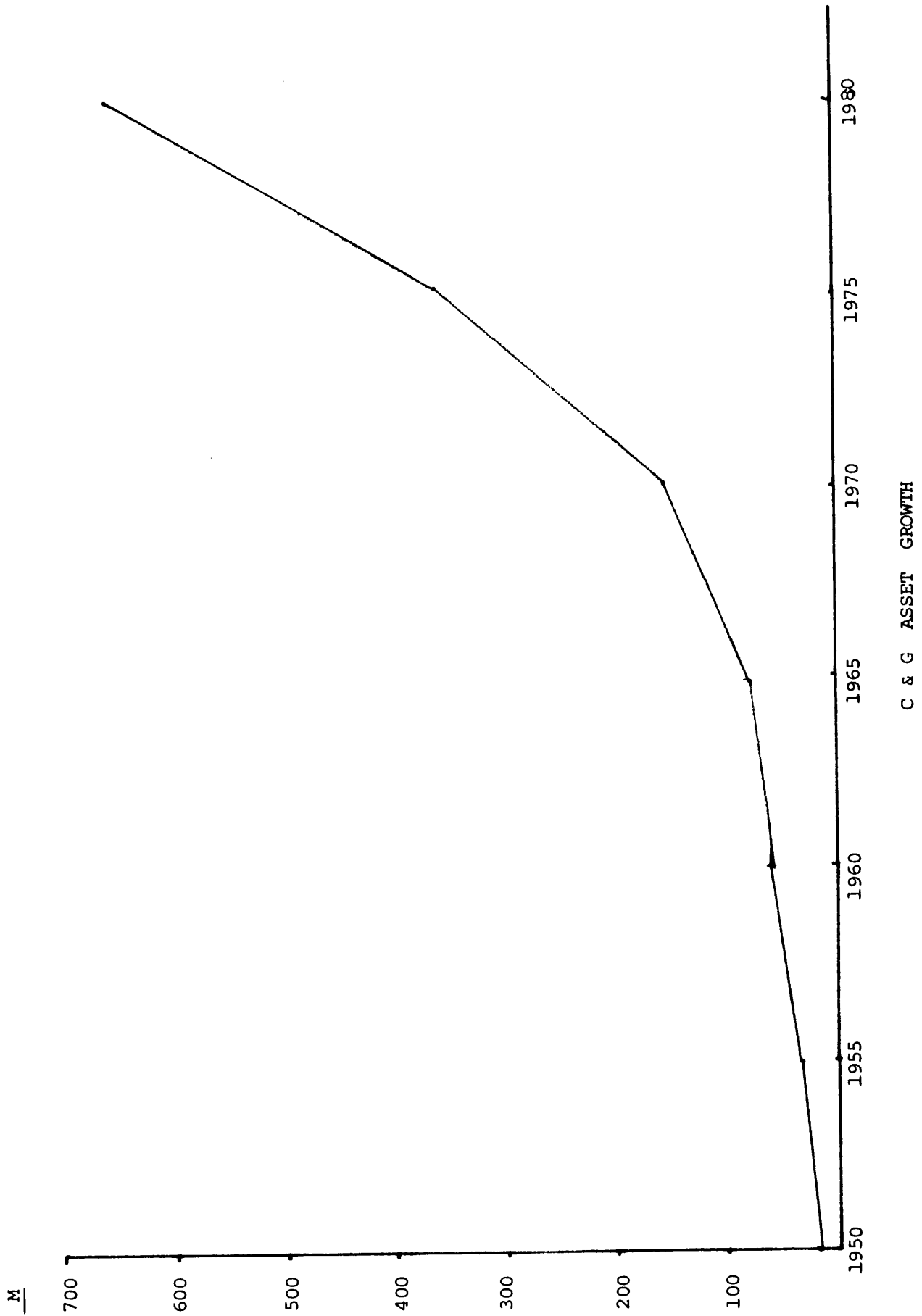
- \* He approved of my method and commented that it was, one-to-one!! Ah, yes said I but I'm going to use some group interviews!!
- \* I go down and visit with people at their desks rather than summon them to the ivory tower so I am approachable (me - reverse isn't it)
- \* We are not strict on timekeeping or tea breaks so no reason for people to feel leaned on. Discipline is the job of the managers.
- \* Can you be clearer on timing yet - not really was my answer but shouldn't be far out on estimate.
- \* At the end he would like me to issue final report to the executive group so that they could defend themselves and question my evidence. I said I'd be happy to do that but wouldn't want exercise to be seen as a witch hunt.

(My general impression was that he saw a lot of value in exercise so far and would like more specifics at this stage - but perhaps a little defensive?)

Final Report on the Investigation into the Effectiveness of the  
Society's Internal Communication

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TO LISTS A &amp; C

CHELTENHAM &amp; GLOUCESTER BUILDING SOCIETY

FROM A H R SPENCER/BA/275/SKG

MEMORANDUM

DATE 30 January 1980

BML 2/8

SUBJECT BRANCH ORGANISATION

Further to Staff Notice No 448 in which you were advised of the appointment of Mr J A Evans as Business Development Manager, I list hereunder the groups of branches for which the Business Development Managers will be responsible from 1 February 1980.

For administrative convenience the January printouts will show the new branch groupings.

FULL BRANCHES

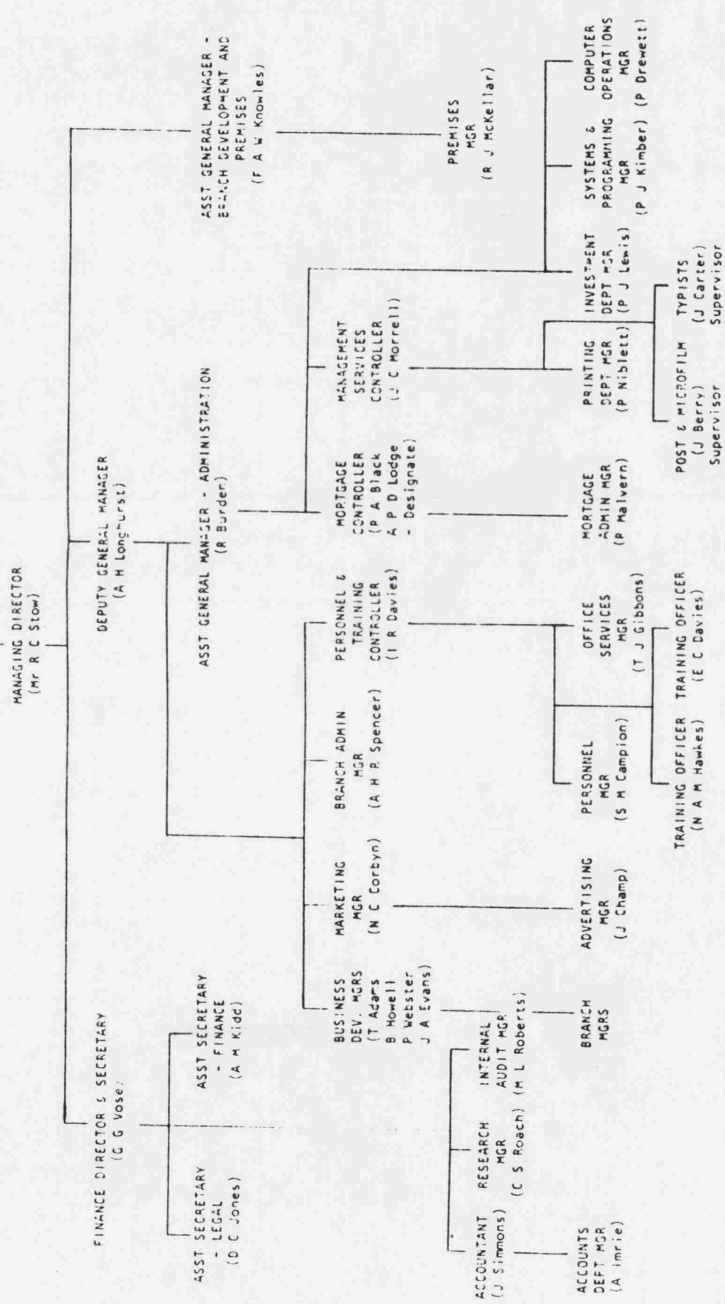
<u>GROUP 1</u>	<u>GROUP 2</u>	<u>GROUP 3</u>	<u>GROUP 4</u>
T ADAMS	B R HOWELL	P A WEBSTER	J A EVANS
ABERDEEN	ABERGAVENNY	CAMBRIDGE	BASINGSTOKE
BANBURY	BATH	CITY	BOURNEMOUTH
BELFAST	BRISTOL	FINCHLEY	CHARD
BIRMINGHAM	CAERNARFON	GT YARMOUTH	CHICHESTER
CHELTENHAM	CARDIFF	HITCHIN	CROYDON
COVENTRY	CARDIGAN	HULL	EXETER
DUNDEE	CARMARTHEN	ILFORD	GUILDFORD
EDINBURGH	CHIPPENHAM	IPSWICH	HOVE
EVESHAM	CIRENCESTER	LEEDS	LYMINGTON
GLASGOW	DENBIGH	LEICESTER	PLYMOUTH
GLOUCESTER	DEVIZES	MIDDLESBROUGH	ST AUSTELL
LIVERPOOL	HEREFORD	NEWCASTLE	SHAFESBURY
MANCHESTER	LLANDRINDOD WELLS	NORTH LONDON	SIDCUP
OXFORD	LUDLOW	NORWICH	SOUTHAMPTON
READING	MILFORD HAVEN	NOTTINGHAM	SUTTON
SMETHWICK	NEWPORT	RICHMOND	TAUNTON
SOLIHULL	SHREWSBURY	SHEFFIELD	TORQUAY
STOURBRIDGE	STROUD	SOUTHEND	TRURO
TEWKESBURY	SWINDON	WEST END	TUNBRIDGE WELLS
WITNEY		(London)	WELLS
WORCESTER			YEOVIL

SUB BRANCHES

BISHOPS CLEEVE	CHEPSTOW	DARTMOUTH
BROCKWORTH	DURSLEY	GILLINGHAM
CHELTENHAM:	LAMPETER	GLASTONBURY
BATH ROAD	MALMESBURY	OKEHAMPTON
CORONATION SQ	MORETON IN MARSH	
CHIPPING NORTON	PWLLHELI	
COWLEY	WOOTTON BASSETT	
HUCCLECOTE		
MALVERN		
PERSHORE		
ROSS ON WYE		
WINCHCOMBE		

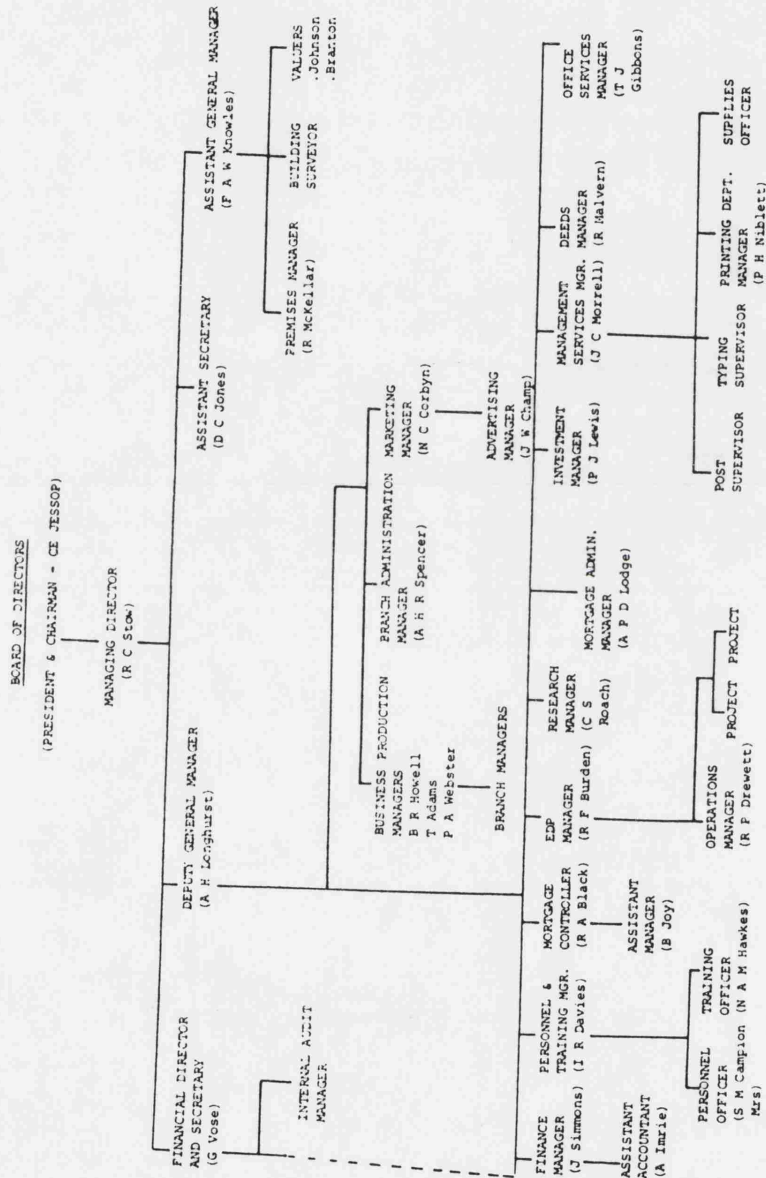
ORGANIZATION CHART - 1980  
(Cheltenham & Gloucester Building Society)  
BOARD OF DIRECTORS  
(President & Chairman - Mr C E Jessop)

Level in Chart does not denote seniority



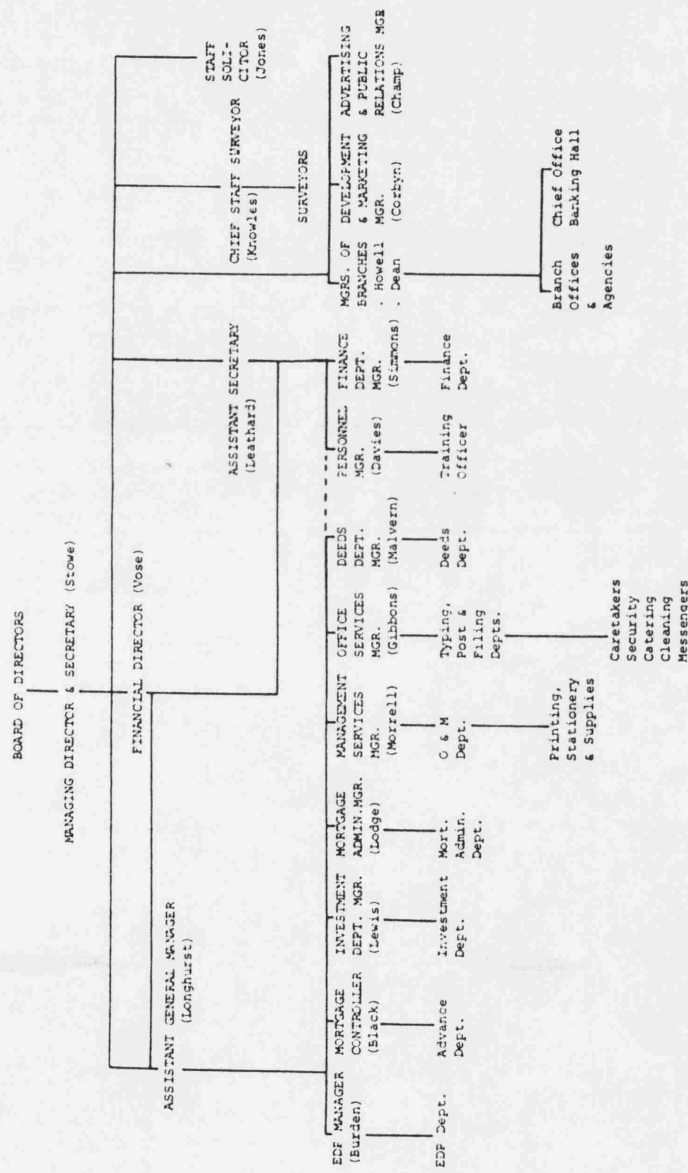
Note: Mortgage Controller R A Black retires in October 1980

THE 1977-78 ORGANIZATION CHART





## THE 1975-76 ORGANIZATION CHART



March 1975

Leathard &amp; Dean now retired - all others still employed.

BRIEF DESCRIPTIONS OF RESPONSIBILITIES AND REPORTING RELATIONSHIPSEXECUTIVE

Managing Director - Responsible to Board for Society's operation and future development.

Finance Director and Secretary - MD's senior executive colleague and responsible for Society's financial, accounting, budgeting and costing, surplus funds investment, internal audit, tax, pension fund and senior staff and executive salary and records functions.

Deputy General Manager - Responsible to MD and Finance Director for administration of all Departments except Branch Development and Premises, and Finance area.

Assistant General Manager - Branch Development and Premises - Responsible to MD for valuations, surveying, property management, new branch acquisition and development, branch improvements and liaison with architects.

Assistant General Manager - Administration - Responsible to the DGM for the administration of mortgage advances and administration, investment department, management services and computing systems.

Assistant Secretary - Legal - Responsible to Finance Director for litigation, conveyancing, seal, application of legislation, revision of rules, properties in possession contract preparation (when required) and legal advice.

Assistant Secretary - Finance - Responsible to Finance Director

for special projects and to act for him as his personal assistant and to deputize for him in respect of all aspects of finance.

MIDDLE MANAGEMENT

ACCOUNTING/FINANCE - Reporting to Finance Director.

Accountant - responsible for the pension fund and its administration, insurance, special financial or accounting projects. Provides link between Finance Director and Accounts Department Manager who is responsible for maintaining Society's general accounting records, preparing annual accounts, producing financial information for management and payroll.

Research Manager - responsible for research into improving the Society's performance using mathematical modelling and statistical techniques and monitoring the investment portfolio.

Internal Audit Manager - responsible for auditing financial operations (particularly at Branch level) to prevent inefficiency and detect fraud. Audit results go direct to the Board Chairman.

BUSINESS DEVELOPMENT (BRANCHES), MARKETING, BRANCH ADMINISTRATION - reporting to Deputy General Manager.

Business Development Manager (4 of) - primary role is to maximise the business production of the Branches in his group.

Branch Managers are responsible to their BDM.

Branch Administration Manager - responsible for administration of Branch network; provides advisory service, approves and organizes staffing and training, controls expenditure, collects statistics and maintains central records.

Marketing Manager - responsible for marketing and advertising current products and services, developing new products and services and public relations. The Advertising Manager (Branches) reports to him and is responsible for window displays, literature, promotional aids and small scale local advertising.

PERSONNEL/TRAINING - Reporting to Deputy General Manager.

Personnel and Training Controller - responsible for the development and implementation of personnel and training policies throughout Society. Reporting to him is a Personnel Manager who is responsible for the day-to-day administration of personnel policy, with specific responsibility for staff recruitment and salary administration. Also reporting to him are two Training Officers who are responsible for the training of branch staff (excluding Branch Managers) and graded staff in Chief Office (to a limited extent). The Office Services Manager also reports to him and is responsible for Chief Office maintenance, cleaning and caretaking, security, safety, messengers and van services, catering liaison and car purchase and maintenance.

MORTGAGE - ADVANCES, ADMINISTRATION AND DEEDS - Reporting to the Assistant General Manager - Administration.

Mortgage Controller - responsible for the whole of the Society's mortgage related operations at Chief Office with specific day-to-day supervision of the Advances section on a continuing basis. The Mortgage Administration Manager reports to him and is responsible for the operation of the mortgage administration section and the deeds storage and retrieval system (headed by a supervisor).

MANAGEMENT SERVICES - Reporting to the Assistant General Manager - Administration.

Management Services Controller - responsible for the Society's printing, supplies, O and M, typing and post and microfilm operations. A Printing Department Manager and Supplies Officer report to him from Mead Road establishment and the typing and post/microfilm sections are headed by supervisors. The Controller is actively involved in day-to-day matters relating to Chief Office-Branch communication (edits Spotlight) and the O and M specialists.

INVESTMENT - Reporting to the Assistant General Manager - Administration.

Investment Department Manager - responsible for the correct processing and recording of customer investment accounts and for assisting in development of new products and services to attract investment money.

EDP - Reporting to the Assistant General Manager - Administration.

Systems and Programming Manager - responsible for system design and programming of new applications and the maintenance of current applications.

Computer Operations Manager - responsible for data processing and control and the operation of the computer facility.

BRANCH DEVELOPMENT AND PREMISES - Reporting to the Assistant General Manager - Branch Development and Premises.

Premises Manager - Responsible for acquisition and development of new premises and management of existing premises.

SOME FIGURES RELATING TO THE 1979-80 CHART

STRUCTURE STATISTICS - (Chief Office excluding BDM's and Branch Network).

Overall . Levels - 7 (including Managing Director as top level and clerks/operatives occupying lowest level).

. Overall spans of control

given: a) 25 (executives, controllers, managers)

b) 19 (1st line supervisors)

c) 159 (clerical/operative staff)

Span of a) to b) and c) - 1 : 7

Span of a) and b) to c) - 1 : 3.6

By Function (including 1st line supervisors with executive, controllers and managers).

	<u>Spans</u>	<u>Levels</u>
Finance	9 : 15 = 1 : 1.7	6
Branch Development & Premises	2 : 6 = 1 : 3	3
Administration (mortgages, services, investment and computing)	26 : 126 = 1 : 5	6
Other (under the DGM and includes marketing, Branch Administration and Personnel and Training)	7 : 12 = 1 : 1.7	4

Controllers'/Managers' Time in Society (in years)

Morrell	15	Lodge	15	McKellar	9
Vose	11	Black	14	Roach	12
Spencer	15	Lewis	12	Niblett	16
Howell	10	Champ	30	Simmons	12
Webster	14	Gibbons	30	Kidd	6 (months)
Evans	25	Kimber	15	Imrie	2
Adams	8	Drewett	11	Jones	8
Burden	10	Knowles	10	Longhurst	12
Corbyn	5	Campion	4	Stow	15
Roberts	1	Davies	8		

5 with 5 years or less

7 with 6 - 10

14 with 11 - 15

3 with 16 +

Average : 12 years



## 1 CLERICAL AND SUPERVISORY STAFF - LEVELS/GRADES/SALARIES

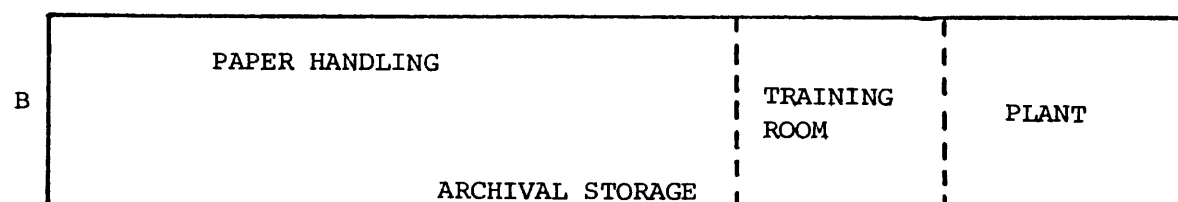
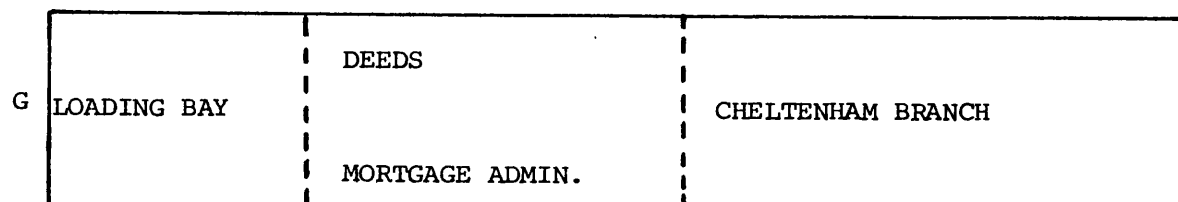
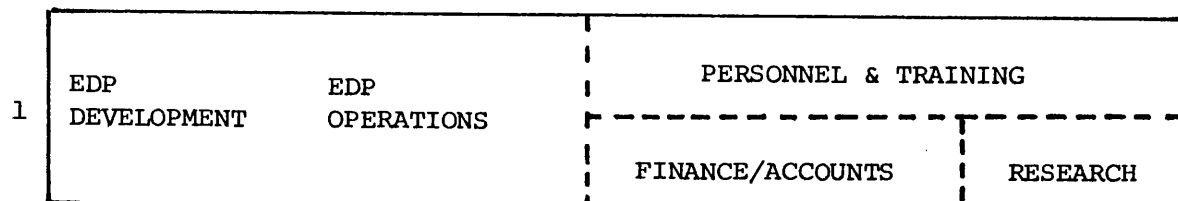
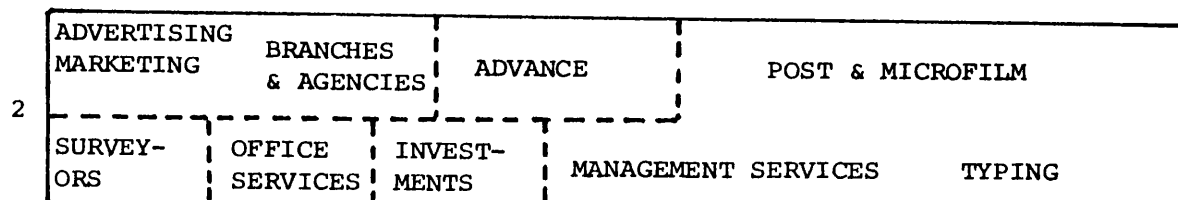
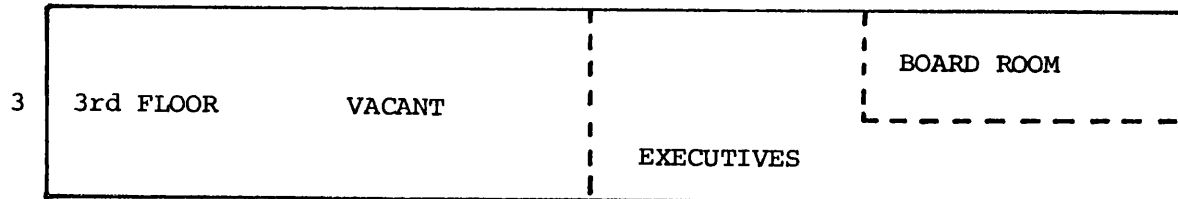
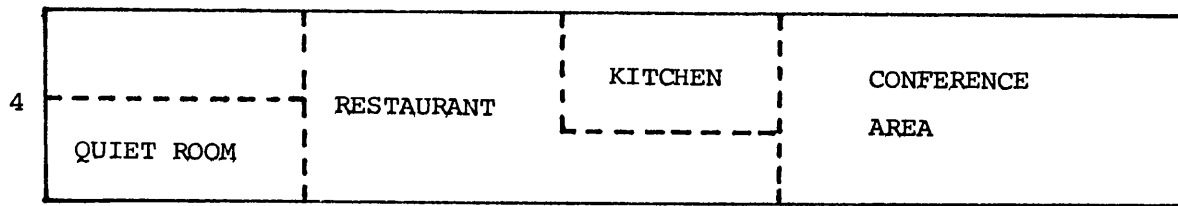
1-4-80

	Grade C1	Grade C2	Grade C3	Grade C4	Grade C5	Grade C6	Grade C7
Level 1	-	2334	2868	-	4173	-	-
Level 2	2025	2466	3000	3516	4326	4863	5409
Level 3	2154	2598	3132	3657	4479	5016	5562
Level 4	2283	2730	3264	3798	4632	5169	5715
Level 5	2412	2862	3396	3939	4785	5322	5868
Level 6	2541	2994	3528	4080	4938	5475	6021
Level 7	2670	3126	3660	4221	5091	5628	6174
Level 8		3258	3792	4362	5244	5781	6327
Level 9		3390	3924	4503	5397	5934	6480
Level 10		3522	4056				
	Inc. 129	Inc. 132	Inc. 132	Inc. 141	Inc. 153	Inc. 153	Inc. 153

## 2 TECHNICAL/ANCILLARY STAFF

	Grade T1	Grade T2	Grade T3	Grade T4	
Level 1	-	-	-	-	
Level 2	2025	3096	3648	4308	
Level 3	2154	3228	3792	4452	
Level 4	2283	3360	3936	4596	
Level 5	2412	3492	4080	4740	
Level 6	2541	3624	4224	4884	
Level 7	2670	3756	4368	5028	
Level 8	2799	3888	4512	5172	
Level 9		4020	4656		
Level 10		4152	4800		
	Inc. 129	Inc. 132	Inc. 144	Inc. 144	

## CHELTENHAM HOUSE - LOCATION OF DEPARTMENTS





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TABLE RELATING PROPOSITIONS AND QUESTIONS

Propositions	RELATED QUESTIONS		
	Controllers'/ Managers' Questionnaire	Branch Managers' Questionnaire	Cashiers' Questionnaire
<b>a. Structure/Boundary Management</b>			
Proposition 1	1	1	-
" 2	-	2	2
" 3	-	3 & 4	3 & 4
" 4	1	1 & 15	-
" 5	2, 4 & 5	6 & 7	-
" 6	11	13	-
<b>b. Management Style/Method</b>			
Propositions 1 & 2	2, 5, 9 & 10	7, 11 & 12	5
Proposition 3	7	9	-
Proposition 4	2	-	-
<b>c. Operations</b>			
Proposition 1	3 & 4	5 & 6	1 & 5
Proposition 2	13	-	-
Proposition 3	-	-	-
Proposition 4	-	-	-
<b>d. Climate/Conditions</b>			
Proposition 1	6	8	-
Propositions 2 & 3	8 & 12	10 & 14	-
<b>e. Outcomes</b>			
Proposition 1	-	-	-
Proposition 2	-	-	-



CONTROLLERS/MANAGERS QUESTIONNAIRECOMPOSITE RESULTSINTRODUCTION

I have talked with all of you over the past few months and many points have been raised in regard to the operation of the Society. Whilst such comments are most useful in indicating personal opinion and in pointing the way towards possible areas of concern, it is difficult to establish the extent of such opinion and the priorities of the concerns by such means alone. I know the jaundiced view many people have of completing questionnaires but would impose again upon the good will shown towards me in interviews by asking you to co-operate in this method of gathering research information.

The attached questionnaire shouldn't take long to fill in - it's not as formidable as it looks. I have numbered each questionnaire to satisfy research needs but can assure you that individual replies will continue to have the confidentiality I have preserved in this project. When discussing results with anyone, apart from my University Supervisor, it is only grouped responses which are aired.

It is much better from my point of view if you answer it and do so frankly and truthfully on your own, but I respect your right not to complete it for whatever your reasons. If you don't want to participate, please return the unmarked questionnaire to me via the internal mail system - if you decide to assist me, please complete the questionnaire and return it to me in a sealed envelope using the same system.

I would be very pleased to have your co-operation and would hope that the composite view so expressed would be discussed with you all at a future stage of the project.

Feel free to talk to me about the nature and purpose of the questionnaire and any points in it which I haven't made clear.

RESPONSE : 91% (21/23)

QUESTIONNAIRE

GENERAL INSTRUCTION: FOR EACH QUESTION USING A RATING SCALE OR A NUMBER OF RATING SCALES, INDICATE YOUR OPINION BY PLACING A CIRCLE AROUND THE APPROPRIATE NUMBER.

1. In general how much say or influence do you feel each of the areas shown below has on the Society and the way it operates?

PLEASE USE THE FOLLOWING SCALE. YOU MAY USE THE SAME RATING TO DESCRIBE ALL AREAS BUT THIS WOULD PROBABLY NOT BE A FAIR DESCRIPTION OF THE REAL SITUATION.

1. LITTLE OR NO INFLUENCE
2. SOME INFLUENCE
3. QUITE A BIT OF INFLUENCE
4. A GREAT DEAL OF INFLUENCE
5. A VERY GREAT DEAL OF INFLUENCE

Area

	Rating DISTRIBUTIONS					MEANS
	1	2	3	4	5	
Business Development, Branch Administration and Branches	-	-	5	10	6	4.0
Finance, Legal & Accounting (including Audit)	1	8	9	2	1	2.7
Branch Development and Premises	1	9	6	5	-	2.7
Marketing	2	8	8	3	-	2.6
Personnel & Training (including Office Services)	3	12	5	1	-	2.2
Mortgage - Advances	2	10	8	-	1	2.4
Mortgage - Administration	8	10	2	-	1	1.5
Investments	5	10	4	-	3	2.2
Systems and Programming	1	5	8	6	1	3.0
Computer Operations	4	6	6	4	1	2.6
Management Services	2	11	7	1	-	2.3

2. In general how much say or influence do you feel each of the following groups or individuals has on the Society and the way it operates?

PLEASE USE THE SAME SCALE AS IN QUESTION 1. YOU MAY USE THE SAME RATING TO DESCRIBE ALL GROUPS AND INDIVIDUALS BUT THIS WOULD PROBABLY NOT BE A FAIR DESCRIPTION OF THE REAL SITUATION.

Group/Individual

Rating

	2	3	2	4	10	
The executive as a group	1	2	3	4	5	3.8
Managers as a group	5	9	5	1	1	2.2
Controllers as a group	6	9	4	2	-	2.1
Managers as individuals	4	11	5	-	1	2.2
Assistant Secretary - Finance	6	14	1	-	-	1.8
Deputy General Manager	-	-	-	6	15	4.7
Controllers as individuals	2	11	7	1	-	2.3
Managing Director	-	1	1	1	18	4.7
Consultative Committee	12	6	3	-	-	1.6
AGM - Administration	2	7	10	2	-	2.6
Supervisors and Section Leaders as a group	14	7	-	-	-	1.3
AGM - Branch Development & Premises	1	10	8	2	-	2.5
Finance Director and Secretary	-	3	3	12	3	3.5
Assistant Secretary - Legal	4	9	5	3	-	2.3
Supervisors and Section Leaders as individuals	14	7	-	-	-	1.3

3. How do you rate the quantity, quality and usefulness of the information you receive which is aimed at helping you to do your job?

PLEASE USE THE SCALE INDICATED ALONGSIDE EACH CHARACTERISTIC.  
YOU MAY USE THE SAME RATING TO DESCRIBE MORE THAN ONE CHARACTERISTIC.

Information Characteristic	Rating				
	3	4	9	5	—
		Just		Quite	More than
Quantity	Inadequate	Sufficient	Sufficient	Adequate	Enough
	1	2	3	4	5
					2.8
Quality	1	5	12	2	1
	Low	Fair	Good	Very Good	High
	1	2	3	4	5
					2.9
Usefulness	—	6	10	4	Extremely
	Little Use	Some Use	Useful	Very Useful	Useful
	1	2	3	4	5
					3.0

4. In terms of the two main types of information (technical/operational and working relations) indicate how you rate the effectiveness of the Society's upward, downward, and across (between Departments) communication.

PLEASE USE THE SCALE BELOW. YOU MAY USE THE SAME RATING TO DESCRIBE MORE THAN ONE TYPE AND DIRECTION.

1. INEFFECTIVE
2. NOT VERY EFFECTIVE
3. EFFECTIVE
4. VERY EFFECTIVE
5. EXTREMELY EFFECTIVE

<u>Type of Information</u>	<u>Communication Description</u>	<u>Rating</u>												
Technical/operational	Downward (3.1)	<table><tr><td>-</td><td>1</td><td>16</td><td>4</td><td>-</td><td>3.1</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td></td></tr></table>	-	1	16	4	-	3.1	1	2	3	4	5	
-	1	16	4	-	3.1									
1	2	3	4	5										
Technical/operational	Upward (3.1)	<table><tr><td>-</td><td>3</td><td>13</td><td>4</td><td>1</td><td>3.1</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td></td></tr></table>	-	3	13	4	1	3.1	1	2	3	4	5	
-	3	13	4	1	3.1									
1	2	3	4	5										
Technical/operational	Across (2.9)	<table><tr><td>-</td><td>5</td><td>14</td><td>2</td><td>-</td><td>2.9</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td></td></tr></table>	-	5	14	2	-	2.9	1	2	3	4	5	
-	5	14	2	-	2.9									
1	2	3	4	5										
Working Relations	Downward (3.0)	<table><tr><td>-</td><td>6</td><td>9</td><td>5</td><td>1</td><td>3.0</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td></td></tr></table>	-	6	9	5	1	3.0	1	2	3	4	5	
-	6	9	5	1	3.0									
1	2	3	4	5										
Working Relations	Upward (3.1)	<table><tr><td>-</td><td>3</td><td>13</td><td>4</td><td>1</td><td>3.1</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td></td></tr></table>	-	3	13	4	1	3.1	1	2	3	4	5	
-	3	13	4	1	3.1									
1	2	3	4	5										
Working Relations	Across (3.1)	<table><tr><td>-</td><td>3</td><td>14</td><td>3</td><td>1</td><td>3.1</td></tr><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td></td></tr></table>	-	3	14	3	1	3.1	1	2	3	4	5	
-	3	14	3	1	3.1									
1	2	3	4	5										

5. In general how do you see the predominant management style of the Society in regard to decision making and delegation of authority?

PLEASE INDICATE YOUR CHOICE BY PLACING A TICK AGAINST THE DESCRIPTION BELOW THAT SEEMS TO YOU TO FIT BEST.

- |   |          |     |
|---|----------|-----|
| 1. Autocratic (tell)                      | <u>6</u> |     |
| 2. Paternal (tell and sell)               | <u>9</u> | 2.2 |
| 3. Consultative (listen before deciding)  | <u>4</u> |     |
| 4. Participation (shared decision making) | <u>-</u> |     |
| 5. Free rein (you're on your own)         | <u>2</u> |     |



6. Two important factors in regard to the Society's operation have been expressed as efficiency and job satisfaction. How do you rate the importance placed on these factors by the Society?

PLEASE USE THE SCALE SHOWN BELOW AND COMPLETE AS MANY TIME PERIODS AS YOU CAN. THE SAME RATING CAN BE USED TO DESCRIBE MORE THAN ONE TIME PERIOD AND FACTOR.

1. NOT VERY IMPORTANT
2. SOME IMPORTANCE
3. QUITE A LOT OF IMPORTANCE
4. A GREAT DEAL OF IMPORTANCE
5. A VERY GREAT DEAL OF IMPORTANCE

<u>Time Period</u>	<u>Factor</u>	<u>Rating</u>	
1965 - 1970	Efficiency		2.7
	Job Satisfaction		2.0
1971 - 1975	Efficiency		3.9
	Job Satisfaction		2.5
1976 - 1980	Efficiency		4.2
	Job Satisfaction		2.7

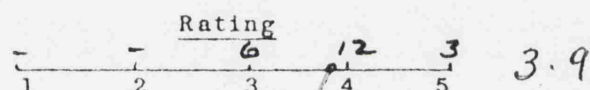
7. Managers could be said to have a four-faceted role; to manage tasks and the associated procedural techniques; to manage the people assigned to the tasks, to liaise and negotiate with other managers and to plan and prepare for the near and the far future. How well do you feel you are equipped to handle these roles?

PLEASE USE THE SCALE BELOW. YOU MAY USE THE SAME RATING TO DESCRIBE MORE THAN ONE ROLE.

1. POORLY EQUIPPED
2. NOT WELL EQUIPPED
3. SUFFICIENTLY EQUIPPED
4. WELL EQUIPPED
5. VERY WELL EQUIPPED.

Role

Task and Procedure Management



People Management



Liaising and negotiating with other managers



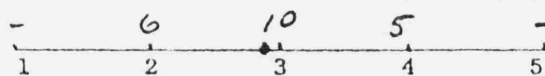
Planning for the future



8. What is your opinion of the extent of support within the Society - the feeling that good relations exist and that people are managed in an atmosphere of trust, respect and fairness, creating high morale?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

Support and  
Morale Low



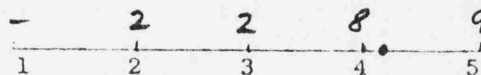
Support and  
Morale High

2.9

9. How much personal authority are you given (within necessary guidelines) to get on with meeting the responsibilities in your job without being checked each step of the way?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTION 8.

Little  
authority  
given and  
constant  
checking  
from above



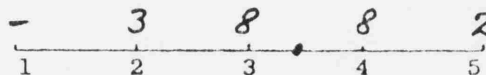
Adequate  
Personal  
Authority  
and Autonomy  
Given

4.1

10. To what extent are you expected to conform to set policies and procedures without having the opportunity to suggest new ideas or amendments? Is the Society adaptable and willing to change or rigid and set in its ways?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTIONS 8 & 9.

Society rigid  
and inflexible  
and expects me  
to conform  
without question.  
Change slow and  
difficult



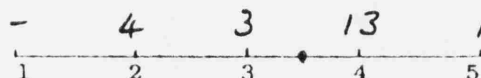
Society very adaptable  
and open to new ideas  
and easy to change.  
Guidelines set but  
flexibility allowed  
within them.

3.4

11. To what extent do you have a clear knowledge and understanding of what is expected of you and of what the Society is hoping to achieve?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTIONS 8, 9 & 10.

There are no  
clear  
objectives  
set for the  
Society or  
for me.



I know what is  
expected of me  
and what the  
Society's  
objectives are.

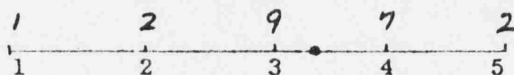
3.5



12. To what degree do you feel that you are being recognised and praised for good work rather than being ignored, criticised or punished when something goes wrong?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTIONS 8, 9, 10 & 11.

Your are  
ignored,  
punished or  
criticised



You are  
recognised and  
rewarded  
positively

3.3

13. THERE IS AN OLD PROVERB THAT SAYS "IT MAY BE TRUE WHAT SOME MEN SAY; IT MUST BE TRUE WHAT ALL MEN SAY." THE PROBLEM IN APPLYING THIS TO THE WAY PEOPLE WORK TOGETHER IN ORGANIZATIONS IS THAT ALL MEN DO NOT SAY THE SAME THING. PERSONS IN ANY ORGANIZATION HAVE DIFFERENT WAYS OF DEALING WITH THEIR WORK ASSOCIATES IN THEIR OWN AND IN OTHER DEPARTMENTS AND SECTIONS. THE PROVERBS LISTED IN THE TWO PARTS OF THIS QUESTION CAN BE THOUGHT OF AS DESCRIPTIONS OF SOME OF THE DIFFERENT POSSIBILITIES OF RESOLVING DISAGREEMENTS AS THEY HAVE BEEN STATED IN LITERATURE AND IN TRADITIONAL WISDOM. PLEASE COMPLETE PART A BEFORE ATTEMPTING PART B.

- A. Would you indicate how desirable in your opinion each of the proverbs listed below is as a way of resolving disagreements between members of different departments and between different management levels?

PLEASE USE THE FOLLOWING SCORES, ON THE SCALE PROVIDED, IN EVALUATING THE DESIRABILITY OF EACH PROVERB. YOU MAY USE THE SAME SCORE FOR ALL THE PROVERBS BUT IT IS MORE HELPFUL IF YOU GIVE SOME INDICATION OF YOUR PREFERENCES.

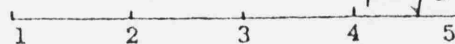
1. COMPLETELY UNDESIRABLE
2. UNDESIRABLE
3. NEITHER DESIRABLE NOR UNDESIRABLE
4. DESIRABLE
5. VERY DESIRABLE

*This question examines the issue of conflict resolution & looks at how five resolution methods are perceived & used. The methods are forcing, smoothing, confronting, compromising & withdrawing.*

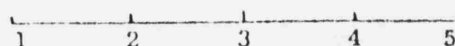
PROVERB

RATING (Results on last page)

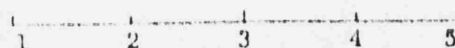
Kill your enemies with kindness



Might overcomes right



It is easier to refrain than to retreat  
from a quarrel



PROVERBRATING

Smooth words make smooth ways

1 2 3 4 5

You scratch my back, I'll scratch yours.

1 2 3 4 5

If you can't make a man think as you do,  
make him do as you think.

1 2 3 4 5

By digging and digging the truth is  
discovered.

1 2 3 4 5

One gift for another makes good friends

1 2 3 4 5

Soft words win hard hearts

1 2 3 4 5

Don't stir up a hornet's nest.

1 2 3 4 5

A fair exchange brings no quarrel

1 2 3 4 5

Arguments of the strongest always have  
most weight

1 2 3 4 5

Come now and let us reason together

1 2 3 4 5

Differences aired get differences  
resolved

1 2 3 4 5

He loses least in a quarrel who keeps  
tongue in check.

1 2 3 4 5

- B. You are now asked to shift from what is desirable to what actually happens in the Society. As you read the proverbs below, please indicate to what extent these proverbs describe behaviour in this organisation.

PLEASE USE THE FOLLOWING SCORES, ON THE SCALE PROVIDED, IN EVALUATING THE BEHAVIOUR THAT ACTUALLY OCCURS. YOU MAY USE THE SAME RATING FOR ALL PROVERBS BUT IT IS MORE LIKELY THAT VARIATIONS WILL OCCUR BETWEEN THE SORTS OF BEHAVIOUR DESCRIBED.

1. DESCRIBES BEHAVIOUR WHICH NEVER OCCURS.
2. DESCRIBES UNTYPICAL BEHAVIOUR WHICH SELDOM OCCURS.
3. DESCRIBES BEHAVIOUR WHICH OCCURS SOMETIMES.
4. DESCRIBES TYPICAL BEHAVIOUR WHICH OCCURS FREQUENTLY.
5. DESCRIBES VERY TYPICAL BEHAVIOUR WHICH USUALLY OCCURS.

## CONTROLLERS / MANAGERS

PROVERB	RATING
Kill your enemies with kindness (Smoothing)	1 2 3 4 5
Might overcomes right (Forcing)	1 2 3 4 5
It is easier to refrain than to retreat from a quarrel (Withdrawing)	1 2 3 4 5
Smooth words make smooth ways (Smoothing)	1 2 3 4 5
You scratch my back I'll scratch yours (Compromising)	1 2 3 4 5
If you can't make a man think as you do, make him do as you think (Forcing)	1 2 3 4 5
By digging and digging the truth is discovered (Confronting)	1 2 3 4 5
One gift for another makes good friends (Compromising)	1 2 3 4 5
Soft words win hard hearts (Smoothing)	1 2 3 4 5
Don't stir up a hornet's nest (Withdrawing)	1 2 3 4 5
A fair exchange brings no quarrel (Compromising)	1 2 3 4 5
Arguments of the strongest always have most weight (Forcing)	1 2 3 4 5
Come now and let us reason together (Confronting)	1 2 3 4 5
Differences aired get differences resolved (Confronting)	1 2 3 4 5
He loses least in a quarrel who keeps tongue in cheek (Withdrawing)	1 2 3 4 5

14. Take this opportunity, if you wish, to note briefly any other feelings you have which you think would help me with this project. *Comments follow*

CONFLICT RESOLUTION	DESIRABILITY OF METHOD	ACTUAL USE OF METHOD
FORCING	2.3	3.5
SMOOTHING	3.1	2.8
CONFRONTING	4.1	3.9
COMPROMISING	3.0	2.8
WITHDRAWING	2.8	3.1

## **CONTROLLERS / MANAGERS**

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### **COMMENTS MADE IN ANSWER TO QUESTION 14**

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- \* The Society does not communicate sufficiently far down the line to provide a better understanding at these levels of aims and policies.
- \* Society run on paternal lines and with our Board will clash with the new generation infused with them and us mentality and, therefore, suspicious.  
The Executive are short on psychology and can be impatient. Rubbing these two attitudes together can cause low morale.
- \* Too little contact with the Executive, particularly the Managing Director. They are beginning to lose touch with what is being done and at what expense.
- \* Slow to give verbal praise - an important reward.
- \* If some answers appear cynical it is because I am. But I've been with the Society a long time so I'm happy in the job obviously. An interesting exercise.



BRANCH MANAGERS QUESTIONNAIRECOMPOSITE RESULTSINTRODUCTION

I have talked with a number of you over the past few months but time does not permit me to be able to meet you all. This is rather unfortunate from my point of view because I have thoroughly enjoyed the hospitality shown by those Branches I have visited and could easily accept more of the same. During my visits a number of points of concern and interest were raised in regard to the Society and its operation. However, without talking with everyone, it is difficult to determine the extent of such concerns and interests and the priorities put on them. With this in mind I have decided to use a questionnaire which will give you all a chance to give me your views.

The attached questionnaire shouldn't take too long to fill in - its not as formidable as it looks. I have numbered each questionnaire to satisfy research needs but can assure you that individual replies will continue to have the confidentiality I have preserved in this project. When discussing results with anyone, apart from my University Supervisor, it is only grouped responses which are aired.

It is much better for me if you answer it and do so frankly and truthfully on your own, but I respect your right not to complete it for whatever your reasons. If you don't want to participate please return the unmarked questionnaire to me at Chief Office. If you decide to assist me please return the completed questionnaire to me at the same place. In either case, please use the internal mail system and use a sealed envelope marked CONFIDENTIAL and for my attention only.

I'd be very pleased to have your co-operation and would hope that the composite view so expressed would be discussed with you at a future conference. Feel free to phone me at Chief Office (or my home in Bath on 0225-859198) about the purpose and nature of the questionnaire or any points in it that I haven't made clear.

Note - I am also keen to obtain the view of the Society held by the cashiers and counter clerks and your assistance may be requested again through the distribution and collection of questionnaires relevant to obtaining that view. If this activity proceeds I'll send full details of any involvement I would ask of you.

I'd appreciate return of the completed questionnaire by 30 June 1980.

Thanks.  
Roger Smith.  
(Ref: Issue 24  
of Spotlight)

QUESTIONNAIREIdentified

Group 1 - 8  
 Group 2 - 12  
 Group 3 - 9  
 Group 4 - 9  
38

Unidentified

(21) 21

(These people removed the identifying number prior to returning questionnaire)

GENERAL INSTRUCTION: FOR EACH QUESTION USING A RATING SCALE OR A NUMBER OF RATING SCALES, INDICATE YOUR OPINION BY PLACING A CIRCLE AROUND THE APPROPRIATE NUMBER.

(74% =  $\frac{59}{80}$ )

1. In general how much say or influence do you feel each of the areas below has on the Society and the way it operates?

PLEASE USE THE SCALE BELOW. YOU MAY USE THE SAME RATING TO DESCRIBE ALL AREAS BUT THIS WOULD PROBABLY NOT BE A FAIR DESCRIPTION OF THE REAL SITUATION.

1. LITTLE OR NO INFLUENCE
2. SOME INFLUENCE
3. QUITE A BIT OF INFLUENCE
4. A GREAT DEAL OF INFLUENCE
5. A VERY GREAT DEAL OF INFLUENCE

Area:

Finance, Legal, Accounting, Audit

Branch Development &amp; Premises

Personnel &amp; Training (including Office Services)

Marketing

Branches

Branch Administration

Business Development

Investments

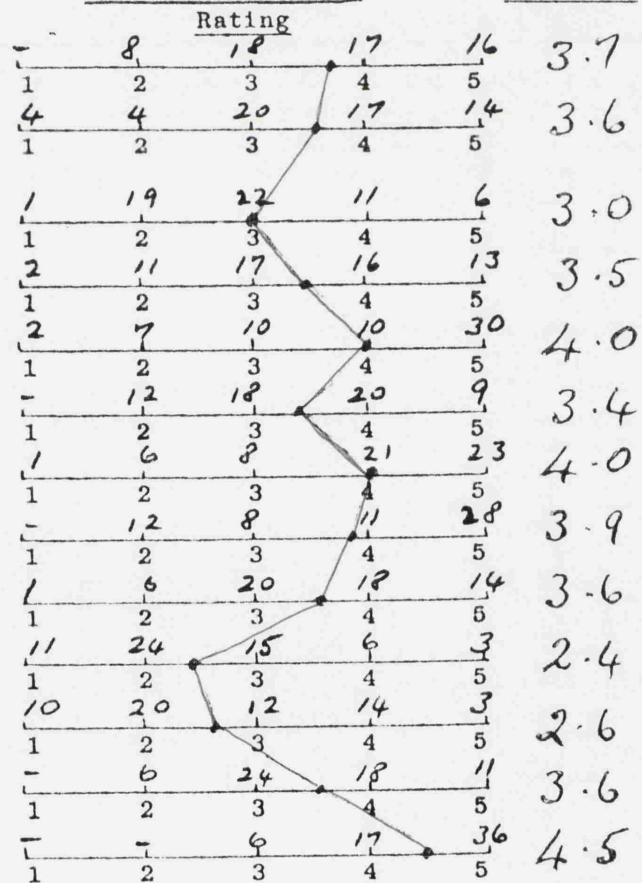
Computing

Management Services

Mortgage - Administration

Mortgage - Advances

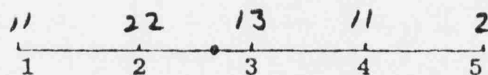
Executive

DISTRIBUTIONSMEANS

2. The Society exists to serve its customers but also needs to provide as efficient a service as possible by using systems and procedures designed with efficiency and consistency in mind. Where do you feel the Society places the balance between these two objectives?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

The Customer comes first and customer needs nearly always outweigh administrative needs.



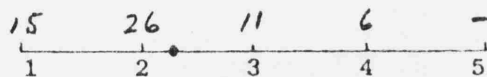
The 'System' comes first and administration needs nearly always outweigh customer needs.

2.7

3. In general, how do you rate the amount of understanding of Branch operation, needs, constraints and problems exhibited by Chief Office Staff?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

Very little understanding of Branches and their operation



Very good understanding of Branches and their operation

2.2

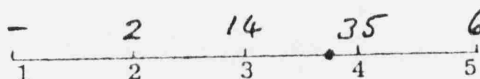
If there are some departments or areas more than others which seem to have less understanding of Branches, please name them on the line below:

Investment 21, Mortgage Admin 5, Mortgage Advances 4,  
Management Services 3, E.D.P. 2, Supplies 1, Marketing 1,  
B.A.M. 3. (Number indicates times mentioned)

4. In general how do you rate your understanding of Chief Office and the purpose, role and responsibilities of the various departments/sections and people there?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

Very little understanding of Chief Office roles and responsibilities



Very good understanding of Chief Office roles and responsibilities

3.8



If there are some departments or areas which you understand considerably less than others please name them on the line below:

E.D.P. 6, Management Services 3, Premises 1,  
Marketing 1, Finance 1, Research 1.  
 (Number indicates times mentioned)

5. How do you rate the quantity, quality and usefulness of the information you receive which is aimed at helping you to carry out the key parts of your job?

PLEASE USE THE SCALE INDICATED ALONGSIDE EACH CHARACTERISTIC. YOU MAY USE THE SAME RATING TO DESCRIBE MORE THAN ONE CHARACTERISTIC.

Information Characteristic	Rating				
	1	5	19	32	2
	Inadequate	Just Sufficient	Sufficient	Quite Adequate	More than Enough
Quantity	1	2	3	4	5
				(3.5)	3.5
	1	14	22	18	4
	Low	Fair	Good	Very Good	High
Quality	1	2	3	4	5
				(3.2)	3.2
	1	8	28	16	5
	Little Use	Some Use	Useful	Very Useful	Extremely Useful
Usefulness	1	2	3	4	5
				(3.3)	3.3

6. In terms of the two main types of information (technical/operational and working relations) indicate how you rate the effectiveness of the Society's upward, downward and across (between departments and between branches) communication?

PLEASE USE THE SCALE BELOW. YOU MAY USE THE SAME RATING TO DESCRIBE MORE THAN ONE TYPE AND DIRECTION.

1. INEFFECTIVE
2. NOT VERY EFFECTIVE
3. EFFECTIVE
4. VERY EFFECTIVE
5. EXTREMELY EFFECTIVE



Type of Information	Communication Description	Rating					
Technical/operational	Downward (3.2)	-	5	39	13	2	3.2
		1	2	3	4	5	
Technical/operational	Upward (2.9)	-	9	39	4	5	2.9
		1	2	3	4	5	
Technical/operational	Across (Depts) (2.9)	-	13	37	7	5	2.9
		1	2	3	4	5	
Technical/operational	Across (Branches) (2.7)	-	20	28	8	5	2.7
		1	2	3	4	5	
Working Relations	Downward (3.1)	-	10	35	13	1	3.1
		1	2	3	4	5	
Working Relations	Upward (3.1)	-	12	33	13	1	3.1
		1	2	3	4	5	
Working Relations	Across (Depts) (3.0)	-	11	36	10	1	3.0
		1	2	3	4	5	
Working Relations	Across (Branches) (3.1)	-	7	37	13	1	3.1
		1	2	3	4	5	

7. In general how do you see the predominant management style of the Society in regard to decision making and delegation of authority?

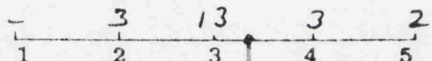
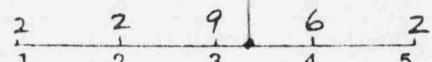
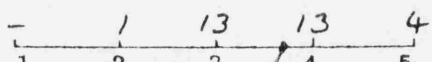
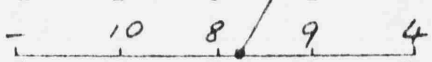
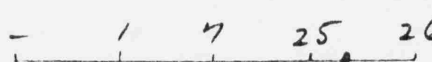
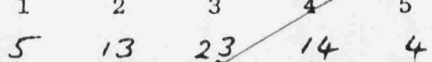
PLEASE INDICATE YOUR CHOICE BY PLACING A TICK AGAINST THE DESCRIPTION BELOW WHICH SEEMS TO YOU TO FIT BEST.

- |   |           |       |
|---|-----------|-------|
| 1. Autocratic (tell)                      | <u>13</u> |       |
| 2. Paternal (tell and sell)               | <u>24</u> |       |
| 3. Consultative (listen before deciding)  | <u>5</u>  | • 2.4 |
| 4. Participation (shared decision making) | <u>15</u> |       |
| 5. Free rein (you're on your own)         | <u>1</u>  |       |

8. Two important factors in regard to the Society's operation have been expressed as efficiency and job satisfaction. How do you rate the importance placed on these factors by the Society?

PLEASE USE THE SCALE BELOW AND COMPLETE AS MANY TIME PERIODS AS YOU CAN. THE SAME RATING CAN BE USED TO DESCRIBE MORE THAN ONE TIME PERIOD AND FACTOR.

1. NOT VERY IMPORTANT
2. SOME IMPORTANCE
3. QUITE A LOT OF IMPORTANCE
4. A GREAT DEAL OF IMPORTANCE
5. A VERY GREAT DEAL OF IMPORTANCE

<u>Time Period</u>	<u>Factor</u>	<u>Rating</u>	
1965 - 1970	Efficiency		3.3
	Job Satisfaction		3.3
1971 - 1975	Efficiency		3.7
	Job Satisfaction		3.2
1976 - 1980	Efficiency		4.3
	Job Satisfaction		3.0

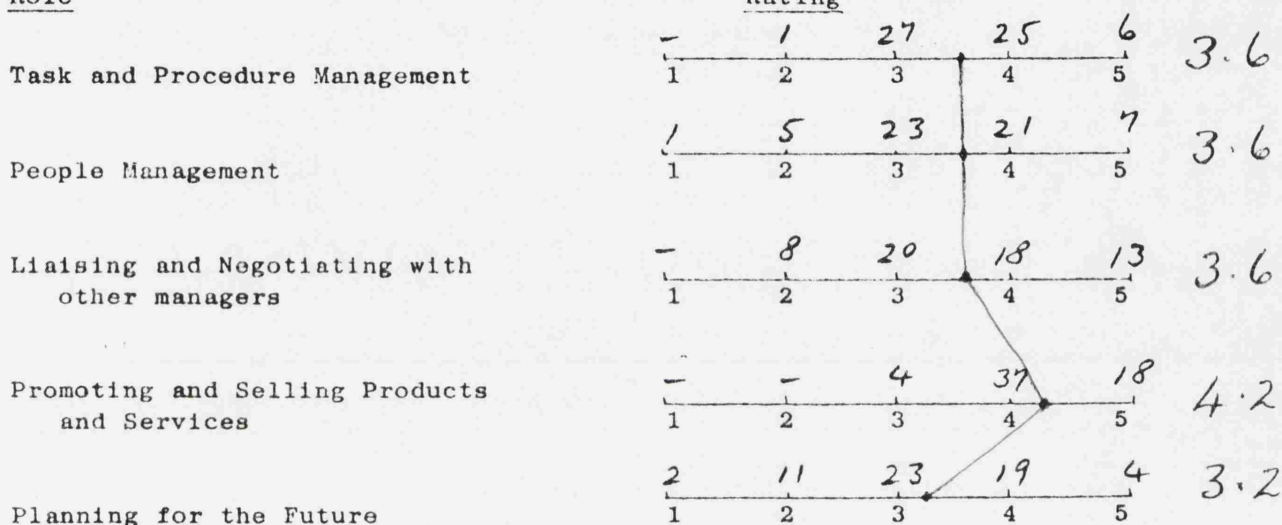
9. Branch Managers could be said to have a five-faceted role; to manage tasks and associated procedural techniques, to manage the people assigned to the tasks, to liaise and negotiate with other managers (in Branches and in Chief Office), to promote and sell the Society's products and services and to plan and prepare for the near and the far future. How well do you feel you are equipped to handle these roles?

PLEASE USE THE SCALE OVERLEAF. YOU MAY USE THE SAME RATING TO DESCRIBE MORE THAN ONE ROLE.

1. POORLY EQUIPPED
2. NOT WELL EQUIPPED
3. SUFFICIENTLY EQUIPPED
4. WELL EQUIPPED
5. VERY WELL EQUIPPED

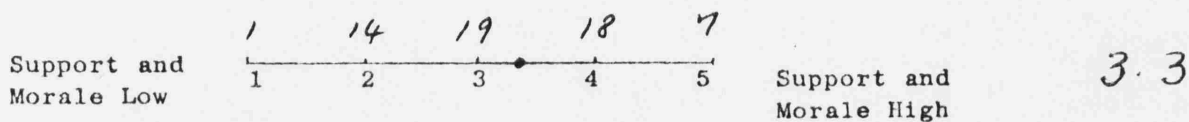
### Role

Rating



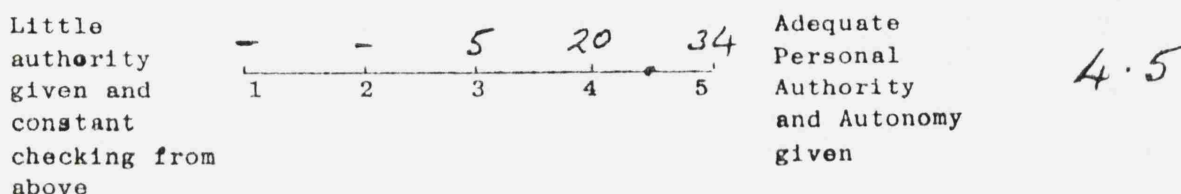
10. What is your opinion of the extent of support within the Society - the feeling that good relations exist and that people are managed in an atmosphere of trust, respect and fairness, creating high morale?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.



11. How much personal authority are you given (within necessary guidelines) to get on with meeting the responsibilities in your job without being checked each step of the way?

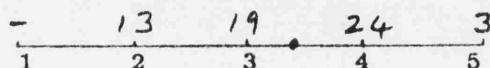
INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTION 10.



12. To what extent are you expected to conform to set policies and procedures without having the opportunity to suggest new ideas and amendments? Is the Society adaptable and willing to change or rigid and set in its ways?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTIONS 10 AND 11.

Society rigid  
and inflexible  
and expects me  
to conform  
without question.  
Change slow and  
difficult



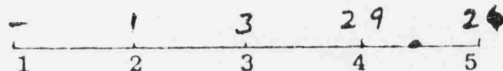
Society very adaptable  
and open to new ideas  
and easy to change.  
Guidelines set but  
flexibility allowed  
within them.

3.3

13. To what extent do you have a clear knowledge and understanding of what is expected of you and of what the Society is hoping to achieve?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTIONS 10, 11 AND 12.

There are no  
clear  
objectives  
set for the  
Society or  
for me.



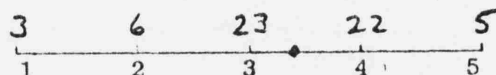
I know what is  
expected of me  
and what the  
Society's  
objectives are.

4.4

14. To what degree do you feel that you are being recognised and praised for good work rather than being ignored, criticised or punished when something goes wrong?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH IS SET UP IN SIMILAR FASHION TO THAT IN QUESTIONS 10, 11, 12 AND 13.

You are  
ignored,  
punished or  
criticised



You are  
recognised and  
rewarded  
positively

3.3

15. The Society provides you with a great deal of material and conducts many activities all of which are designed to assist you, your staff and your Branch. How do you rate the usefulness of those listed below?

INDICATE YOUR VIEW ON THE SCALES BELOW WHICH ACCOMPANY EACH ITEM AND WHICH ARE PROVIDED WITH A DESCRIPTIVE STATEMENT AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT. THREE SPACES AND RATING SCALES HAVE BEEN LEFT FOR YOU TO ADD ANY ITEMS WHICH YOU FEEL SHOULD HAVE BEEN INCLUDED.

Item	Rating	
Targets and Statistics from Chief Office	Little Use — 1 2 3 4 5 Very Useful 8 19 18 13 3.6	
Training Packages	Little Use — 1 2 3 4 5 Very Useful 2 6 15 20 15 3.7	
Annual Conference	Little Use — 1 2 3 4 5 Very Useful 3 11 12 13 18 3.5	
'Over the Threshold'	Little Use — 1 2 3 4 5 Very Useful 9 14 17 7 7 2.7	
'Spotlight'	Little Use — 1 2 3 4 5 Very Useful 2 1 16 18 22 4.0	
Personal Assessment (Form CGP 9)	Little Use — 1 2 3 4 5 Very Useful 8 10 19 16 5 3.0	
Brochures	Little Use — 1 2 3 4 5 Very Useful 2 14 31 12 3.9	
T.V. Advertisements	Little Use — 1 2 3 4 5 Very Useful 20 12 14 7 7 2.5	
Procedure Manual	Little Use — 1 2 3 4 5 Very Useful 2 8 22 27 4.3	
Regional Conferences	Little Use — 1 2 3 4 5 Very Useful 1 1 1 1 2 3.3	
Newspaper Ads	Little Use — 1 2 3 4 5 Very Useful 1 1 1 1 2 3.3	
Display Material	Little Use — 1 2 3 4 5 Very Useful 1 2 1 1 3.1	

16. Take this opportunity to note briefly any other feelings you have which you think would help me with this project.

*Comments Follow.*

THANKS FOR YOUR CO-OPERATION



**BRANCH MANAGERS**

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**COMMENTS MADE IN ANSWER TO QUESTION 16**

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- \* We often get excess information on basic matters, yet on important and complex issues we are often left to "grope in the dark".
- \* The Society operating systems are excellent but man management is poor, e.g. we are asked to suggest targets for the year. However, these are completely ignored and targets are set on projected growth by the Finance Director.
- \* The display material is of little use and ideas from Business Development area would rate '2' on a 'useful' scale.
- \* Chief Office generally have little idea of the complexity of Branch work.
- \* I have worked in other Societies and have worked at a Head Office level and have many friends in other Societies and believe, whilst we have problems, they are nothing compared to those in other Societies I know of.
- \* Quota controls and allocations are of little use.
- \* We should have a relief staff team for emergency use. As the Society has grown, staff relations have been allowed to slip behind (sadly) - a problem with all big organisations.
- \* Each Department seems a water-tight cell - they listen but do what they want to do anyway.
- \* The B.A.M. seems obsessed with petty cash trivia which should be left to our discretion.
- \* Chief Office visitors are very welcome. An opportunity for staff to visit Chief Office would be useful.
- \* The procedure manual is getting very cumbersome and difficult to use. Index is poor.
- \* Heads of departments seem to understand us but sometimes not the lower levels.
- \* This questionnaire concentrates on internal communication - the eternal "them" and "us" situation. Another dimension could well be future marketing techniques and policies and the balance to be struck with our traditional limitations. We shall be a different animal in 5 years time.

Continued/

- \* There is doubt as to whether we are masters of our future.
- \* The stringent mortgage terms imposed on us have lowered morale. If I have a record month on investments, I never get a congratulatory note. Managers are becoming administrators and not salesmen - should give greater responsibility to A.B.M's for administration and leave us to get on with the job we're paid for - selling.
- \* Too much uniformity in leaflets - they should be made more specific to areas or regions.
- \* Over the past two years a "them" and "us" situation has arisen between Chief Office and Branches. We get to see Chief Office, it would benefit Chief Office staff to visit us. Even if costly, the benefits in improved understanding would be great.
- \* Why do we seem to choose secondary sites for our offices?
- \* I often think that Chief Office staff would deal differently with some problems if they were confronted by a strange thing (to them) called a customer!
- \* The existing structure of the C & G is such that there is a great deal of one to one contact between Chief Office and Branches and I firmly believe that the absence of a rigidly structured regionalised set-up is a major factor in keeping the alienation of the two "camps" to a minimum.
- \* I think there is still more scope for more visits by Branch staff of all grades to visit Cheltenham and also for Chief Office departmental staff (particularly Advance and Investment) to visit Branches - not Cheltenham or Gloucester, but Branches out in the sticks.
- \* A good examination is needed of the existing BDM/ABM/BAM structure in order to assess its contribution to the Society's business and to identify areas of weakness and directions for future development.



TO ALL BRANCH MANAGERS  
FROM ROGER SMITH - C/O PERSONNEL DEPT  
DATE 4 July 1980

CHELTENHAM &amp; GLOUCESTER BUILDING SOCIETY

MEMORANDUM

SUBJECT

COMPOSITE RESULTS

Thanks very much for your response to my questionnaire - I really am most grateful for your help.

I've decided to go ahead with the cashier questionnaire mentioned in the introduction to the Branch Managers questionnaire. You can see from reading the introduction to the cashier questionnaire (copies enclosed) that I would like you to distribute one to each cashier (parttime, fulltime and Saturday Morning Staff).

They are not expected to sign the form, which should be sent direct to me by each one of them when completed individually.

I would hope that the composite result from cashier responses will be shared with you and with them.

Thanks again.

*Roger Smith.*

Notes: 1) If you have staff you cannot contact because they are away from work over the next few weeks for some reason they will have to be left out of the survey. The unused questionnaires can be destroyed.  
2) Sub branches have not been included in the survey.

REPLY

CASHIERS QUESTIONNAIREINTRODUCTION

As mentioned in the February 1980 (No. 24) issue of Spotlight, I am interested in a variety of aspects of communication within the Society. Over the past few months I have visited a number of Branches and have talked informally with as many people as I could. I would like very much to have met you all but, unfortunately, the large number of Branches and my limited time makes this impossible.

During my visits and talks a number of issues seemed to me to be important to cashiers. I feel that I have to give more of you an opportunity of airing views on these issues so that I can get a more composite general view of how cashiers as a group see the Society and its operation. Because I can't get to see you all, I've decided to use a questionnaire and have each of you fill it in and return it to me. I'll be sending copies of this questionnaire to each Branch Manager and asking him to give one to you.

There is no need to sign the questionnaire but I would ask you to tick the appropriate blocks on the next page to indicate your employment conditions and also the length of service you have with the Society.

When you have completed it as frankly and as fully as you can on your own I would appreciate it if you returned it to me at Chief Office using a sealed envelope marked 'Confidential' and for my attention.

I hope that you can help me in my research and that the information so generated may guide the Society in taking action to strengthen further the links between Chief Office and the Branches. I'm looking forward to your replies.

If you could complete and return to me by 21 July 1980, I'd be grateful.

FULLTIME

98

PARTTIME

30

SATURDAY  
MORNING

5

Total = 133

QUESTIONNAIRE

YEARS SERVICE

		F/T	P/T	S.M
<	1	25	9	—
	1 - 2	22	11	2
	2 - 3	18	2	2
	3 - 4	11	1	1
>	4	22	1	—
		98	30	5

RESPONSE RATE 58% 31% 13%

1. As well as learning to do your job by doing it under supervision and by doing it largely on your own, you will have undertaken some or all of the formal training offered by the Society. How useful have these learning methods been in helping you to perform the key aspects of your job successfully i.e. *(Full analysis shown in Appendix 4)*

- handling and recording transactions?
- selling the Society's products and services?
- handling customer queries and interpreting Society policies and procedures to them?
- maintaining good customer relations?

INDICATE YOUR VIEW ABOUT THE USEFULNESS OF EACH LEARNING METHOD IN REGARD TO EACH JOB ASPECT (a, b, c & d ABOVE) ON THE RATING SCALES PROVIDED WHICH ARE MADE UP AS FOLLOWS:

- LITTLE USE
- SOME USE
- USEFUL
- VERY USEFUL
- EXTREMELY USEFUL

PUT A CIRCLE AROUND THE NUMBER YOU CHOOSE ON EACH RATING SCALE. IGNORE THOSE METHODS WITH WHICH YOU ARE NOT FAMILIAR.

DISTRIBUTIONSMEANSLearning MethodJob Aspect

Learning under supervision

a

	Rating	
3	9	33
1	2	3
4	4	5
6	20	47
1	2	3
4	4	5
5	16	37
1	2	3
4	4	5
11	34	38
1	2	3
4	4	5

3.9

b

3.4

c

3.6

d

3.1

## Learning on your own

	16	24	49	28	15	3.0
a	1	2	3	4	5	
	9	25	58	24	16	3.1
b	1	2	3	4	5	
	13	30	52	24	13	3.0
c	1	2	3	4	5	
	5	13	45	37	32	3.6
d	1	2	3	4	5	

## Induction Package

	22	29	23	18	9	2.7
a	1	2	3	4	5	
	17	24	38	12	10	2.8
b	1	2	3	4	5	
	26	20	37	10	8	2.6
c	1	2	3	4	5	
	36	24	24	9	8	2.4
d	1	2	3	4	5	

## Cashier Training Package

	8	26	31	24	18	3.2
a	1	2	3	4	5	
	11	29	33	20	14	2.9
b	1	2	3	4	5	
	15	28	32	23	9	2.8
c	1	2	3	4	5	
	25	30	29	13	19	2.5
d	1	2	3	4	5	

## Cashier Refresher Course(s)

	35	21	28	24	10	2.5
a	1	2	3	4	5	
	11	18	25	36	28	3.4
b	1	2	3	4	5	
	13	20	30	34	21	3.3
c	1	2	3	4	5	
	11	18	23	35	31	3.5
d	1	2	3	4	5	

## Monthly Training Package(s)

	18	32	31	25	13	2.9
a	1	2	3	4	5	
	5	28	41	28	17	3.2
b	1	2	3	4	5	
	10	26	39	29	15	3.1
c	1	2	3	4	5	
	17	35	35	23	9	2.3
d	1	2	3	4	5	

## Terminal Training

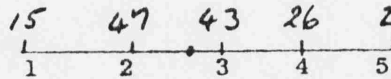
	2	5	6	7	13	3.7
a	1	2	3	4	5	
	15	5	9	7	2	2.1
b	1	2	3	4	5	
	8	4	11	5	5	2.9
c	1	2	3	4	5	
	14	3	8	5	3	2.4
d	1	2	3	4	5	



2. The Society exists to serve its customers but also needs to provide as efficient a service as possible by using systems and procedures designed with efficiency and consistency in mind. Where do you feel the Society places the balance between these two objectives?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

The Customer comes first and customer needs nearly always outweigh administrative needs.

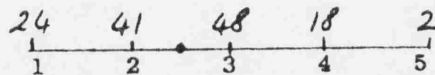


The System comes first and administrative needs nearly always outweigh customer needs 2.7

3. In general, how do you rate the amount of understanding of Branch operation, needs, constraints and problems exhibited by Chief Office Staff?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

Very little understanding of Branches and their operation



Very good understanding of Branches and their operation. 2.5

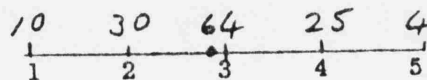
If there are some departments or areas more than others which seem to have less understanding of Branches, please name them on the line below:

Investments 21, Mortgage Admin. 4, Mortgage Advances 1  
Accounts 1, E.D.P. 4, Supplies 1, Personnel & Training 1.  
 (Number indicates times mentioned)

4. In general how do you rate your understanding of Chief Office and the purpose, role and responsibilities of the various departments/sections and people there?

INDICATE YOUR VIEW ON THE SCALE BELOW WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

Very little understanding of Chief Office roles and responsibilities



Very good understanding of Chief Office roles and responsibilities 2.9

If there are some departments or areas which you understand considerably less than others please name them on the line below:

Investments 1, Mortgage Admin. & Advances 10,  
E.D.P. 2, Accounts 1.

## 5. Please give your view on the items listed below:

INDICATE YOUR VIEW ON THE SCALE WHICH ACCOMPANIES EACH ITEM AND WHICH INCLUDES DESCRIPTIVE STATEMENTS AT THE EXTREMES TO PROVIDE BOUNDARIES FOR YOUR ASSESSMENT.

Item

Branch Procedure Manual	Little Use	3 1	14 2	22 3	47 4	47 5	Very Useful	3.9
Quality and Value of Advertising Material	Low Quality and little value	10 1	31 2	54 3	33 4	5 5	High Quality Very valuable	3.0
Information you receive about new products and services prior to their introduction.	Inadequate	13 1	26 2	25 3	50 4	19 5	Quite Adequate	3.3
The extent of your knowledge about the whole Society and its aims, objectives and operation	Very Limited	3 1	13 2	65 3	48 4	4 5	Full and extensive	3.3

6. Cashiers are sometimes involved in transaction errors or in giving incorrect information to customers. In your view what is the major cause of such problems?

*Comments Follow.*

7. Please note below any other information or idea which you feel would be helpful to the Society or myself in enabling us to get a better understanding of your job and the opportunities and problems it presents to you?

*Comments Follow.*

CASHIERSCOMMENTS MADE IN ANSWER TO QUESTION 6

- \* Errors occur when "rushed off" feet. Insufficient briefing leads to incorrect information.
- \* Confusing information and receiving it too late so not fully digesting it before commencing date.
- \* Inadequate knowledge of products or mortgage situation.
- \* Harassment caused by pressure of work especially at holiday times.
- \* Misunderstanding in original training. Pressure in the job,
- \* Concentration disturbed when customers chat.
- \* Incorrect and inadequate information given to us.  
Information being daily contradicted by those in charge. Errors are easily done due to boredom, nothing to do between customers.
- \* Not enough time for training at Branches and not enough notice given of new products at times.
- \* Concentration can be interrupted or something can distract you for a moment.
- \* Most errors occur when cashiers have to change from one job to another, e.g. typing to cashiering.
- \* Some cashiers don't know the answer and tend to waffle through it. Silly mistakes due to pressure.
- \* Although computer equipment has decreased the number of transaction errors, it is true to say that customers are given incorrect information - particularly applies to mortgages due to lack of training.
- \* Transaction errors caused by harassment of busy office counter. Errors in information caused by insufficient knowledge of products.
- \* Lack of concentration especially when changing from secretarial to cashier duties. Not enough information about new products.
- \* Being too hasty and, therefore, inaccurate on transactions. For information its failing to absorb training given and not being bothered to refer to manual where applicable.
- \* The office gets so busy we don't have time to check everything.
- \* Reading information incorrectly or being told incorrectly.

Continued/

- \* Several procedure changes taking place at the same time.
- \* Trainers think they know their stuff but don't, e.g. Trust Account (what happens to money when person in charge dies?) Training at Chief Office in general as emphasis is so foreign to Branch training and often too rigid a line is taken by Chief Office, e.g. exceeding cash withdrawal limits.
- \* Lack of training owing to time factor owing to work load.
- \* In my own case a difficulty in discarding redundant knowledge of old products where a new product has a lot of similarities.
- \* Lack of knowledge about how Society runs its business. Errors occur because of illegible writing and wrong figures quoted or when under pressure because of volume of work.
- \* Busy Saturday mornings create pressure which can lead to errors.
- \* At my Branch severe under-staffing problem causing error in times of stress. Like other Branches, we seem to be victims of rapid growth and staffing levels not increased with growth so service which has built up Branch reputation can't be continued with the same efficiency.
- \* Lack of communication between Chief Office and Branches. Not enough notice in some cases, e.g. addition to term shares for 1 month.
- \* Not enough time given to training - a general lack of instruction.
- \* Lack of concentration not helped by distractions. Lack of understanding on both sides and failure to listen to each other.
- \* Have to listen to customer and problems and this is distracting.
- \* Major cause of such errors is interruptions, e.g. telephone.
- \* Having to transfer mid-way through a job to deal with phone or customers. Therefore, lack of constancy or continuity.
- \* New cashiers trying to hurry and having less information than they think.
- \* Too many changes and amendments and pressure of work.
- \* In my opinion errors of this nature are most likely to occur because transactions and customer enquiries are dealt with hurriedly to avoid other customers being inconvenienced by a long delay in being attended to.
- \* Given incorrect information in the first place.
- \* On certain occasions incorrect information is given on phone by Chief Office.
- \* Lack of cashier concentration caused by talkative customers, lack of time, rush of customers or carelessness.

Continued/



- \* Distractions during transaction, e.g. a phone call. Not absorbing all procedures involved when a new scheme is introduced.
- \* Incorrect information given over phone by Chief Office.
- \* General talk which has to be entered into with regular customers. Trying to rush especially if people are waiting.
- \* Lack of information from Chief Office. In particular, enclosures sent to investors with statements which give them information we should know about as well. Often caught out this way.
- \* Normally occurs when under pressure and also when busy in small office and interrupted by phone, etc.
- \* In my experience it is usually the investor who asks for information, is given it and then comes back with a totally different request, usually their own interpretation of advice given.
- \* Monthly training constantly interrupted by counter business.
- \* Incorrect information given to us or insufficient training or information not understood.
- \* Errors in the main are due to volume of work. Typing, especially mortgage offers, requires concentration and being constantly interrupted one's mind is half left at desk instead of being wholly involved in cashiering. Also on very busy days with members waiting, one is inclined to hurry (fatal with bags of small change) in order to relieve congestion.
- \* Insufficient "cashing up" time.
- \* The manual uses building society jargon and is hard to follow.
- \* Lack of training prior to joining the Branch.
- \* Customer gives wrong information or can't make up mind.
- \* Transaction errors caused mainly by interruptions which delay, which, in turn, causes pressure to complete work. Giving incorrect information is caused mainly by frequent changes in procedures and systems.
- \* Can't be perfect all the time and so many details to remember when under pressure! Afterall, we are only human!
- \* Not enough time to complete all jobs. Being short staffed during holidays causes pressure.
- \* Having to leave different jobs to deal with customers' problems.
- \* 5 o'clock pressure.
- \* Cashiers must carry out all aspects of building society work and this can be a little confusing at times.
- \* A lot more information is fed to us to deal with various procedures than to Chief Office staff and subsequent pressure causes problems.

- \* The manual contains a lot of building society jargon that is hard to interpret.
- \* A lot of the time in regard to new procedures we only find out about them a day or so before they are due to commence.
- \* Impolite customers can cause you to rush into errors.
- \* Lack of confidence - cashier not experienced and unsure of facts.
- \* Not enough product knowledge and lack of initial training.
- \* Cashiers inattention to detail is their own fault - careless.
- \* Cashier afraid to ask ABM or another Cashier .
- \* Lack of training or lack of concentration (or both!).  
Misunderstanding customer requirements.
- \* Being hurried when customer is parked on a double yellow.  
Continuous interruptions from Investor, children, phone, etc.
- \* Not being conversant with problem or transaction because it occurs rarely.
- \* Too many details and pressure causing concentration to lapse.
- \* Misinterpretation of information originally.
- \* Part of the reason is that anything you want to know is so difficult to trace in the manual that we dislike using it.
- \* Not keeping calm and recording transactions in a methodical way every time. We probably don't know as much about accounts and procedures as we think we do.
- \* Too much detail required in recording transactions creates pressure.
- \* Not enough time and trouble given to customers.  
Not fully understanding schemes we offer.
- \* Not enough practice on problems which come up irregularly.
- \* Working under pressure causes error as does a failure to keep up with latest instructions and procedures.
- \* Under-staffing and overwork!! Pressure of queuing customers (who get very impatient) and of trying to do the cashier's backwork and serve customers and answers queries all at once. (we could do with a table at the rear of the office on which to do backwork).
- \* Errors caused by being rushed and/or interrupted.
- \* It's either incorrect information or a failure to understand it even if it's correct.
- \* The cashier is at fault usually because she has not learnt the field properly. Lack of experience and work pressure can combine to produce errors.

Continued/

- \* Amount of work and at certain times of the month a considerable amount of pressure and at these times one is not able to give full attention to the job.
- \* It's because of the vast amount of information we need to remember and the variety of problems we encounter.
- \* Pressure caused by staff shortages and an office full of customers.
- \* Pressure of work and lack of time to study material from Chief Office properly.
- \* When customers are queuing it is difficult to find time to deal with closures, transfers, etc. which have accumulated during the day. Ideally it would be better to get away from the counter to complete these transactions - usually we just have odd moments between customers.
- \* Difficulty in interpreting customer's exact requirements.
- \* So many amendments for different accounts that one can easily be confused.
- \* There are few transaction errors in an on-line Branch.

CASHIERSCOMMENTS MADE IN ANSWER TO QUESTION 7

- \* It would be helpful if a member of the training team visited our office to see if we were "genned up" adequately.
- \* Find out views of Branch staff before putting new procedures into practice.
- \* Chief Office to understand more fully what goes on at Branches further away from Cheltenham. Some staff at Chief Office just don't understand our problems.
- \* Most departments at Chief Office have little respect for Branches - especially true of department heads.
- \* You have to work at a Branch for a period to be able to understand how it operates (and recently - five years ago experience is out of date).
- \* Training courses are infrequent and trainers have no idea of the real problems a cashier faces. On several courses the information we have been given is opposite to the action we are told to take by the Branch Manager. Also, practically no training is given on mortgage work and, therefore, should information about mortgages be asked for a cashier is unable to answer correctly.  
It would be a good idea if a cashier could do work in between serving customers. There are often intervals of up to 15 minutes between customers when a cashier has no alternative but to stare into space - consequently she becomes bored and restless.
- \* I feel personally that a job evaluation exercise would bring to light that the job title "Cashier" means a lot more than it implies in certain branches.
- \* Opportunities in Scottish branches are limited unless you are prepared to cross the border.
- \* I suggest an Enquiries Department especially for branches to phone up. Interest records are out-of-date or fallen apart with use at branches. One phone call often won't solve problem instantly. With a memo we can wait a fortnight for no reply - another phone call, another memo and, finally, we get our interest information. We update the book and receive a mouthful from a justifiably stropky customer. The same applies to S.T.O's but not as bad a problem.  
  
Pig headed lack of knowledge by some at Chief Office. No knowledge of computer records being updated on terminals, e.g. balances remain the same Friday, Saturday and Monday. Urgent up-dates are phoned up for - on Tuesday morning: calls telling cashiers to use the machine are received which is too late for customer needs and leaves cashier looking a complete idiot.  
  
Lack of willingness by overworked Investment staff to do anything out of the ordinary - would rather have a memo and make the customer wait until they are ready to reply.  
  
I think an Enquiries Department set apart from all other departments with access to most information would be a God send.

- \* Advertising could be much better. Modules are old fashioned. Paddington Bear window display is not eye-catching and attention getting.
- \* More training for Saturday morning staff.
- \* Although Branch staff are sent to Chief Office there is no reciprocation. More Chief Office staff getting to branches or receiving training on branch operation would give them better understanding of P.R. problems.
- \* Possibly to take a leaf from the Banks' book where Cashiers cashier, typists type, etc. Although in a small office this would be impossible, I guess. Take on more staff to relieve pressure?
- \* Unless one is prepared to move, job opportunity at a small office is nil.
- \* Chief Office visits to branches and vice versa.
- \* I feel that it would be helpful if some of the refresher/training packages included information on mortgages as I'm hopelessly lost in this area.
- \* As a Cashier who has been with the Society a number of years I find the Cashier Refresher Courses a complete waste of time. Besides, I resent being treated like a little schoolgirl. My ABM is a mine of information and I, therefore, feel that I have training on the spot when I need it.
- \* I would point out that dealing with the public face-to-face and trying to be patient and understanding with particularly obstinate or disgruntled customers can be a major "headache" for Cashiers. If when trying to obtain information from Chief Office for such customers we received a little more understanding it would be much appreciated. I would also like to point out that customers are not prepared to wait to be served in order that Cashiers may finish their monthly training session!!
- \* Training at Branches for Chief Office staff - they need to see at first-hand what we have to deal with.
- \* More consideration to customer needs, sometimes priority is given to administration.
- \* We know very little about what actually happens at Chief Office in the Investment Department and especially the Accounts Department. I feel it would be beneficial if there could be some sort of Course run enabling us to spend some time in Chief Office to see what goes on behind the scenes.
- \* Ideally to be able to complete one desk job without interruption. Members at the counter are priority, but admin has to be done and it is a matter of concern if it cannot be cleared. No suggestions as to how it could be done, although situation will be eased when extra staff are trained.

Continued /

- \* Courses such as the Cashier Refreshers should provide us with information of where we are falling down on our job, as they give us an opportunity to put forward our views on certain things and problems we face. Otherwise, get representatives from Chief Office to visit branches and gain first-hand experience of problems which occur.
- \* I think thorough training at the beginning should be given. Handling queries and customer relations comes with experience. Cashier Refreshers are good because they enable us to get away from the office and meet other Cashiers. The main reason for the Branch/Chief Office misunderstandings is us not knowing what they do and vice versa. At our office we discuss everything that comes in and that's good.
- \* Often memos received from Chief Office on new procedures can be taken two ways.
- \* Frequent alterations to procedures and systems can be frustrating especially if introduced when we are short staffed as a result of holidays.
- \* Chief Office staff should understand that we deal with work that could take 20 people at Chief Office. Therefore a little consideration would be appreciated.
- \* It would be more helpful if there were more training packages and not ones you just read through and answer questions. You need to discuss the questions and may be set aside an hour to put it into practice via role playing for example.
- \* More Cashier Refreshers at Chief Office.
- \* Some means must be developed of getting Chief Office staff to understand and appreciate the problems faced at Branches and vice versa to be fair.
- \* Have a Staff Suggestion Scheme where staff can send in ideas or improvements or to help with problems.
- \* It is extremely difficult for part-timers to become fully involved. 1 day courses are good but they could have been more extensive in making Cashier feel necessary and important.
- \* Being fully advised, in advance, of changes in procedure and products (Chief Office and Branch staff alike). Making branch manual easier to use by simplifying the index.
- \* Chief Office should understand how little time we have for the involved monthly packages of training sent to us.
- \* The boundary between mortgage administration and advances is pretty blurred to me.
- \* Investments and Accounts create work for us because they seem unable to ask amongst themselves if anyone is familiar with the problem. Certain people can be rude and unhelpful. Our Development Manager thinks it is beyond him to talk to anyone but the Branch Manager.

Continued/

- \* Apart from actually visiting Branches to see what goes on, trying to maintain a steady flow of information between Chief Office and branches.
- \* A better understanding of life in the Branches by Chief Office staff.
- \* The Cashier Refresher Course is an expensive exercise and we could receive similar tuition at Branch level.
- \* We would appreciate a quiet half-hour or so to sit and discuss new products and policy.
- \* I feel that part timers should be given a chance to see how Chief Office works.
- \* There is not enough training given when a Branch changes from manual system to terminal system. Most of our problems were solved on a trial and error basis.

## CASHIER RETURNS BY GROUP AND LENGTH AND CONDITION OF SERVICE

GROUP	TYPES AND YEARS OF SERVICE														
	FULL TIME					PART TIME					SATURDAY MORNING				
	< 1	1-2	2-3	3-4	> 4	< 1	1-2	2-3	3-4	> 4	< 1	1-2	2-3	3-4	> 4
1	4	7	1	5	10	2	2			3				1	
112	27					7					1				
2	8	8	8		2		3		1	2		2	1		
64	26					6					3				
3	7	1	5	4	7	3	1								
45	24					4									
4	6	6	4	2	3	4	5	2		2			1		
68	21					13					1				
289	25	22	18	11	22	9	11	2	1	7	-	2	2	1	-
	98					30					5				

SENT OUT 289 - 168 F/T  
82 P/T  
39 S.M.

RESPONSE - 58% F/T  
37% P/T  
13% S.M.



PRE SEMINAR ACTIVITIES

1. Executives  $\frac{1}{2}$  day planning session  
(including Roger Smith)

2. TUESDAY 28th APRIL

2.00 p.m. Pre seminar  $\frac{1}{2}$  day training exercise:

Topics -

- Review of the PRAP exercise, in Seminar Syndicates
- Details of Weekender, pre-reading material, seminar topics, etc.  
Build-up of planning - film.  
"Planning for Change".

Propose syndicates pre-weekend meeting.

B30/32

SLH/1/4/81

2ND WEEKEND SEMINAR - 8, 9, 10th MAYREEF MOTEL, MANDURAHFRIDAY 8th May

4.15 p.m. - 4.30 p.m.	Registration	
<u>SESSION 1</u>		
4.30 p.m. - 4.45 p.m.	Introduction	R. Smith
4.45 p.m. - 5.30 p.m.	Exercise - (Creative Thinking)	D. Gomes
6.00 p.m. - 7.30 p.m.	Dinner	
7.30 p.m. - 8.15 p.m.	Home's Future Computerised Operating Systems	P. King & C. Davidson
8.15 p.m. - 9.30 p.m.	Exercise - (Brainstorming Session)	D. Gomes
9.30 p.m.	Coffee, refreshments	

SATURDAY 9th May

<u>SESSION 2</u>	<u>EXTERNAL ENVIRONMENTAL FACTORS</u>	
7.30 a.m. - 8.45 a.m.	Breakfast	
9.00 a.m. - 9.15 a.m.	Introduction	A.J. Dolin
9.15 a.m. - 10.30a.m.	Future Capital Markets and The Role of Financial Institutions in that Market with emphasis on the W.A. Scene	B. Wright
10.30 a.m. - 11.00 a.m.	Morning Tea	
11.00 a.m. - 12.00 noon	The Future of the Building Society Industry Home's Place in it - 1985 & 1990	A.J. Dolin & others
12.00 noon - 12.45 p.m.	Balance Sheet Syndicate Session	
1.00 p.m. - 2.00 p.m.	Lunch	
<u>SESSION 3</u>	<u>INTERNAL FACTORS</u>	
2.00 p.m. - 2.45 p.m.	Balance Sheet Discussion	B. Wright, A. Dolin, P. King & L. Nelson
2.45 p.m. - 3.30 p.m.	Society's Internal Strategies	
3.30 p.m. - 4.00 p.m.	Afternoon Tea	
4.00 p.m. - 4.45 p.m.	Syndicate Session continued from Session 3	

4.45 p.m. - 5.30 p.m.      Syndicate presentation  
and panel Discussion

7.00 p.m. - 8.30 p.m.      Dinner

#### SESSION 4

8.30 p.m. - 10.00 p.m.      Society's External  
Environment

B. Wright

10.00 p.m. - 10.30 p.m.      Presentations and  
Discussions

10.30 p.m.                      Supper and Refreshments

#### SUNDAY 10th May

8.00 a.m. - 9.30 a.m.      Breakfast

9.00 a.m. - 10.00 a.m.      Evaluation of Sessions

10.00 a.m.                      Depart

#### POST SEMINAR ACTIVITIES

#### TUESDAY 12th May

Syndicates meet to discuss syndicate  
results and complete them.

#### THURSDAY 14th May

2.00 p.m.                      Evaluation Session and Discussion,  
all participants

A.J. Dolin &  
R. Smith

HOME BUILDING SOCIETY  
ORGANIZATION STRUCTURE

DISCUSSION DOCUMENTS FOR EXECUTIVE MEETING ON 6TH MARCH, 1981  
(INTRODUCTION, DISCUSSION DOCUMENTS SUMMARY, DISCUSSION DOCUMENTS 1-6)

Introduction:

In response to a request by Mr. Dolin, I have given some thought to the ways in which the society could re-organise its functions and the relationship between them in order to be able to face the future more confidently.

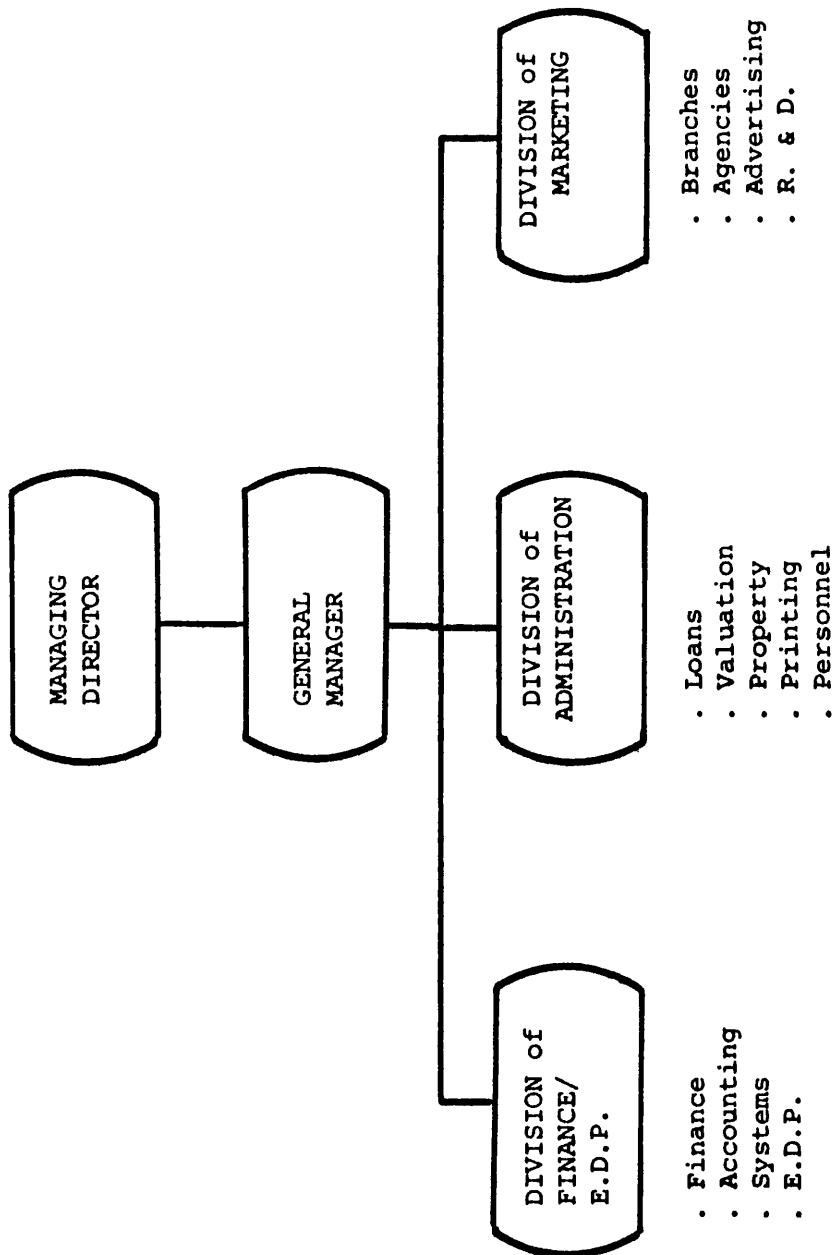
None of the documents attached illustrates what is to be, they are intended to indicate ideas, alternatives and points of departure which can be discussed in order to reach agreements on the nature of changes which could take place. Each illustration is different in regard to structural characteristics such as levels, spans of control and amount of differentiation. Depending on the inter-relation between these characteristics one ends up with a broad flat structure or a tall narrow structure, each of which has advantages and disadvantages inherent in their form. I'd be happy to talk about these with you.

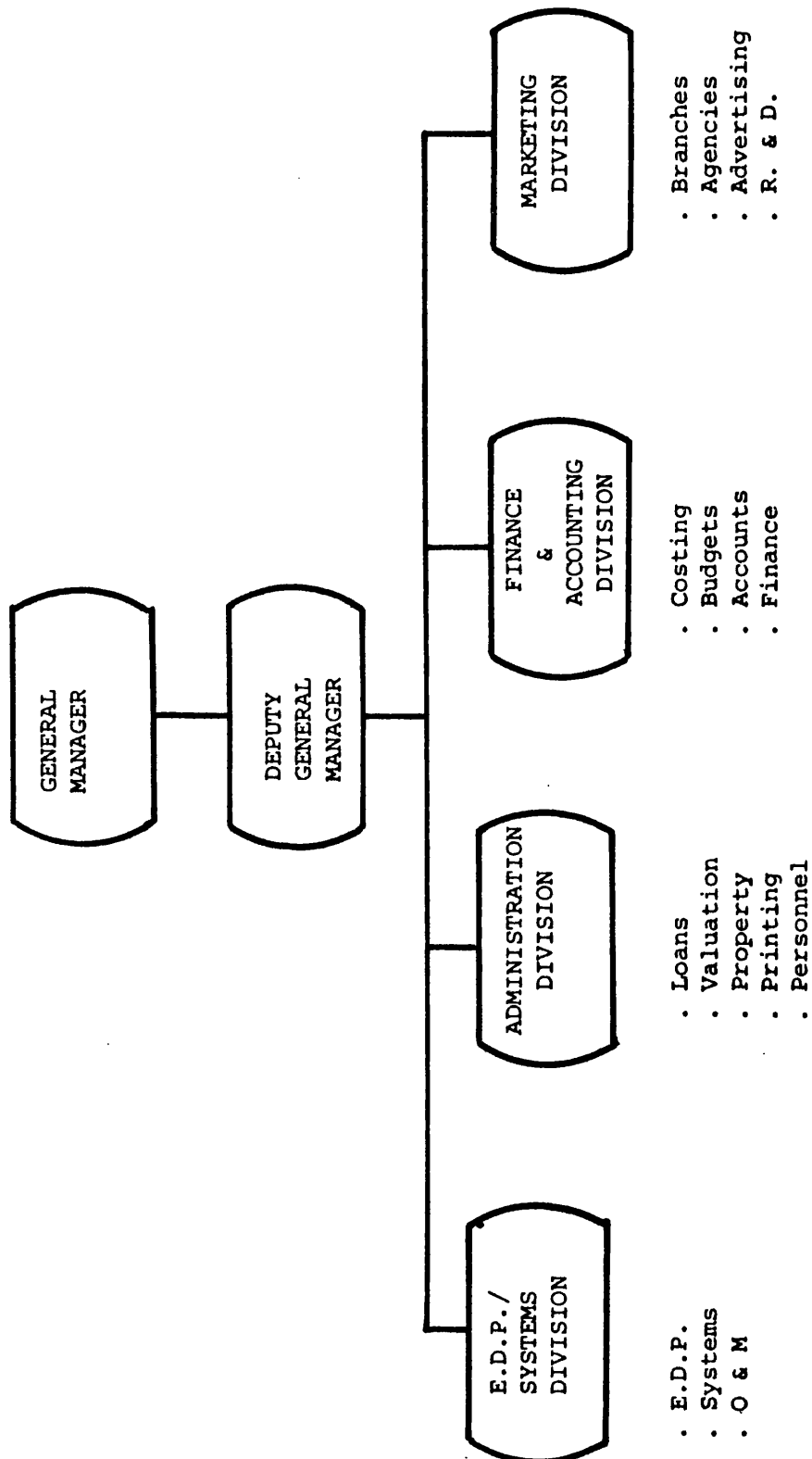
Any change to an on-going organization causes problems, not the least of which are those associated with the sensitivity of people to role and status changes (either real or perceived). I recognise that it is impossible to be objective on such topics but would hope that they can be discussed with one aim given importance over all other group or individual aims. That over-riding aim is to concentrate on improving the whole organization's ability to perform effectively and efficiently whilst preserving satisfactory personal relations and a good working climate.

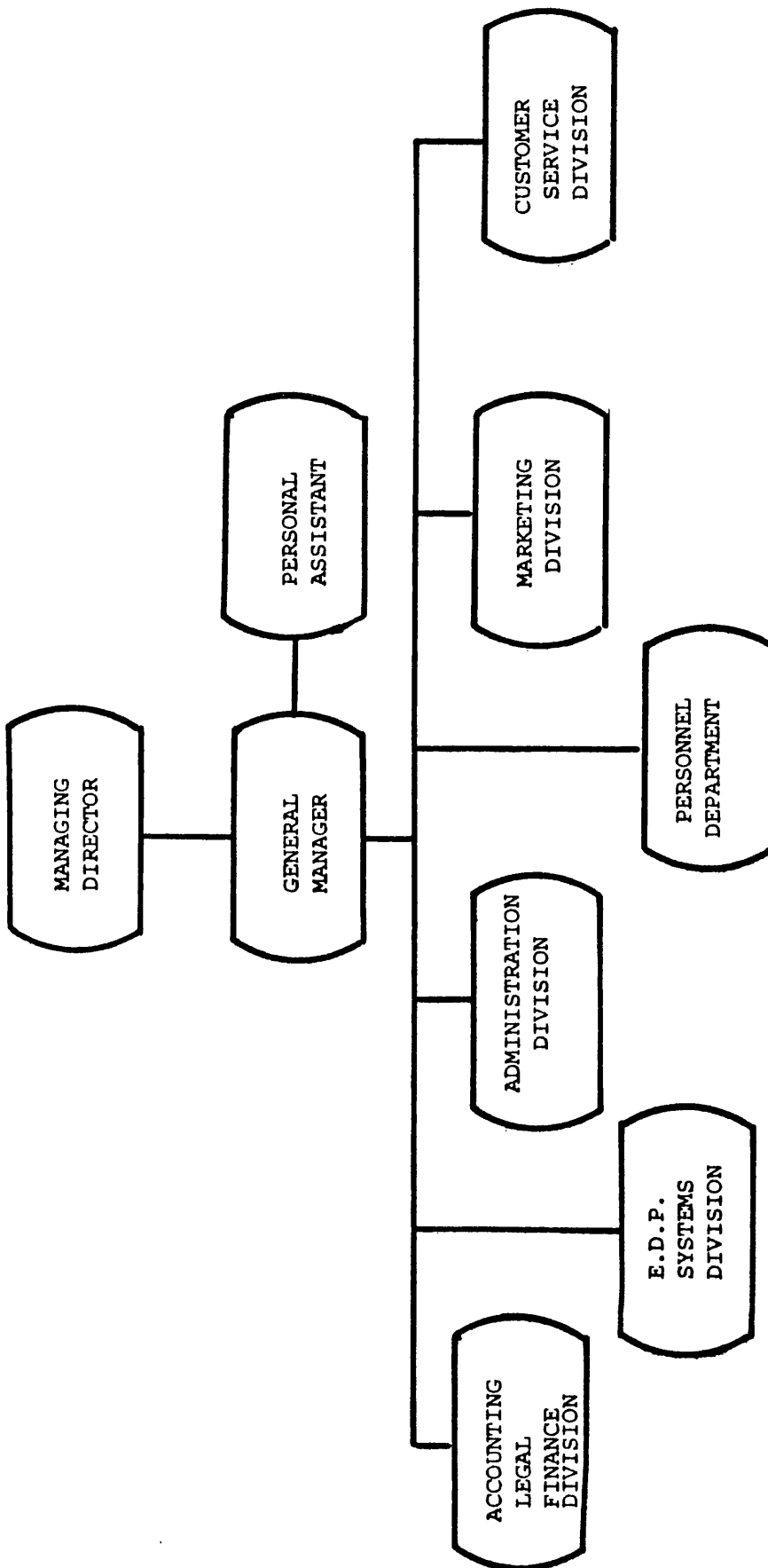
Roger C. Smith

DISCUSSION DOCUMENTS SUMMARY

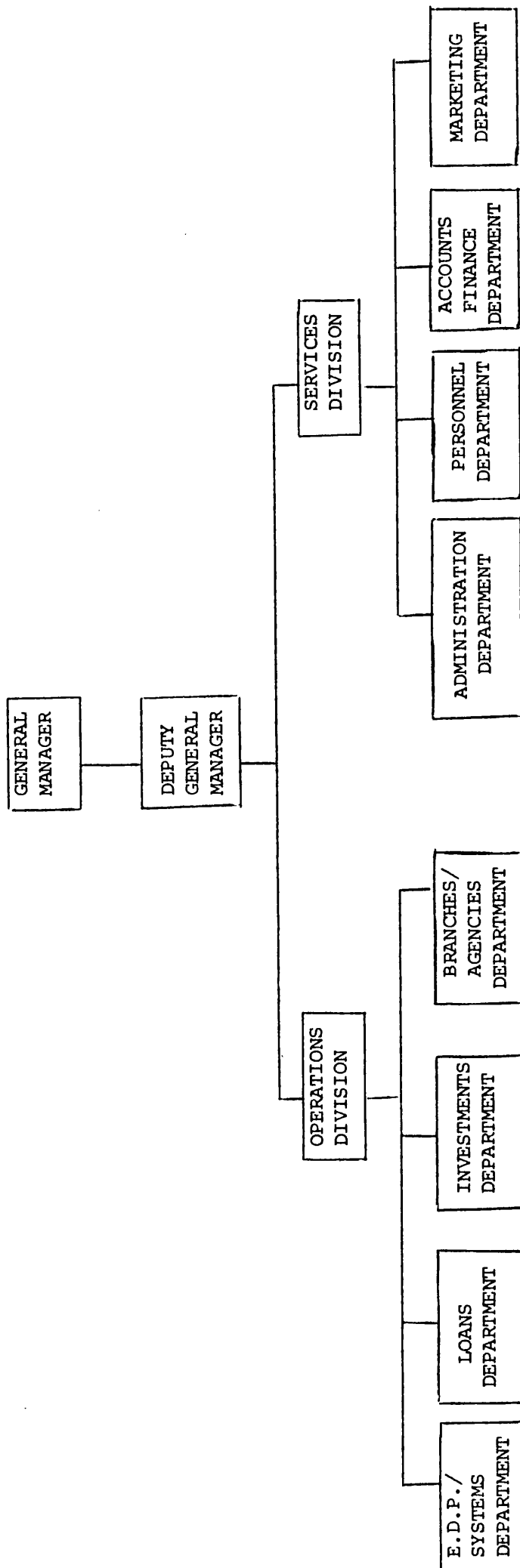
1. The activities of the society are divided into three divisions each of which reports to a General Manager who is responsible to a Managing Director.
2. Similar to 1. but Finance/Accounting and E.D.P. are split so that there are four divisions reporting to the General Manager.
3. An extension of 1. with E.D.P. and Personnel forming specialist departments at a lower level than four main divisions - all report to the General Manager. A Personal Assistant position aids the G.M. with his large control span of 6.  
(The nature of the Customer Services division is clarified in documents 5 & 6.)
4. Introduces another level to the structure with eight departments at the fourth level. Four departments form an operations division and four a services division. Only two people report to the Deputy General Manager.
5. Related to 2. (four divisions) and 3. (has a Customer Service division). Key element in this structure is that it has been designed from the bottom up as it were. This meant deciding on the functions that have to be performed and then putting them together in the most logical groupings.  
The functions to be performed are shown in document 6.
6. A list of functions and/or activities that have to be undertaken as I see it. Most are done now, some others are not.

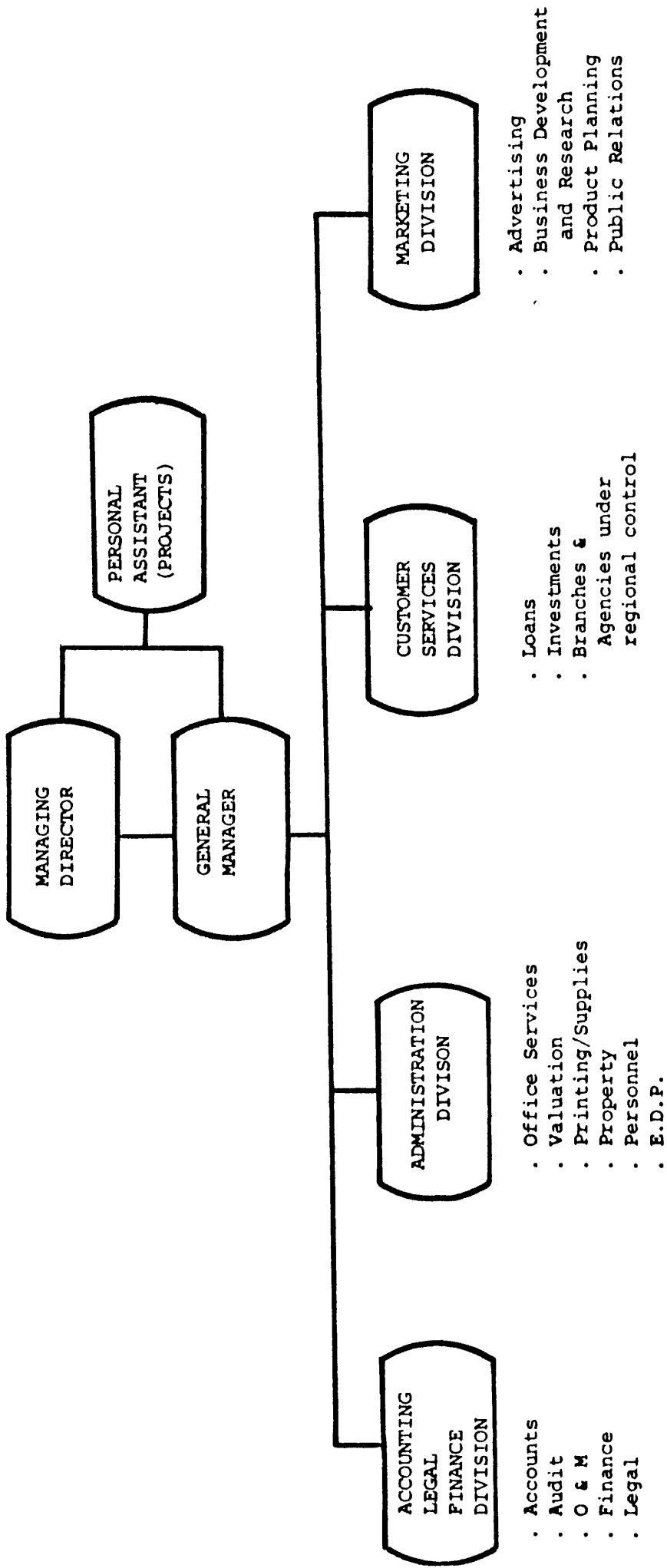












ACCOUNTS - routine business accounting/costing/budgeting.

AUDIT - checking of accounting operation

O. & M. - checking procedure use and developing new and improved systems/procedures

FINANCE - financial planning, institutional investments etc.

LEGAL - legal aspects of business, advice on law, solicitor duties.

OFFICE SERVICES - word processing, lunch room, tea/coffee service, phones, offices, mail, filing etc.

VALUATION - valuing properties

PRINTING/  
SUPPLIES - printing and publishing services, purchasing, supplies.

PROPERTY - purchase, rental, maintenance

PERSONNEL - the personnel and training activities

E.D.P. - routine data processing and systems analysis/design

LOANS - the mortgage function at head office

INVESTMENTS- all processing associated with customer savings performed at head office

BRANCHES &  
AGENCIES - activities associated with loans/investments/new business development

ADVERTISING - activities associated with presenting society products to public

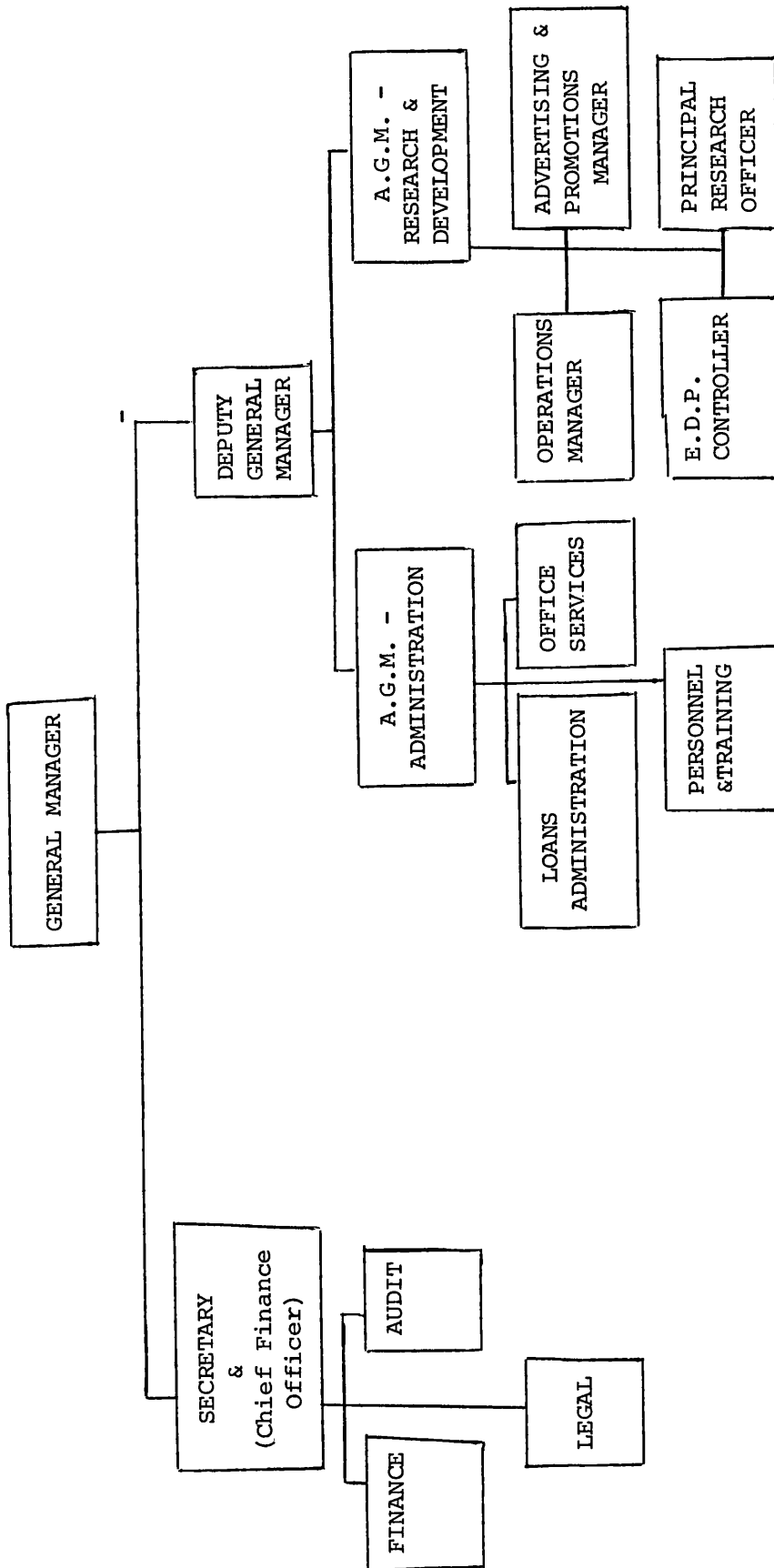
BUSINESS DEVELOPMENT  
AND RESEARCH - generating new ideas to keep society ahead of competitors

PRODUCT PLANNING - activities associated with getting new products on to the market.

PUBLIC RELATIONS - activities designed to promote the society's image both internally and externally

SECRETARIAL - duties related to secretary function (Board minutes etc.)

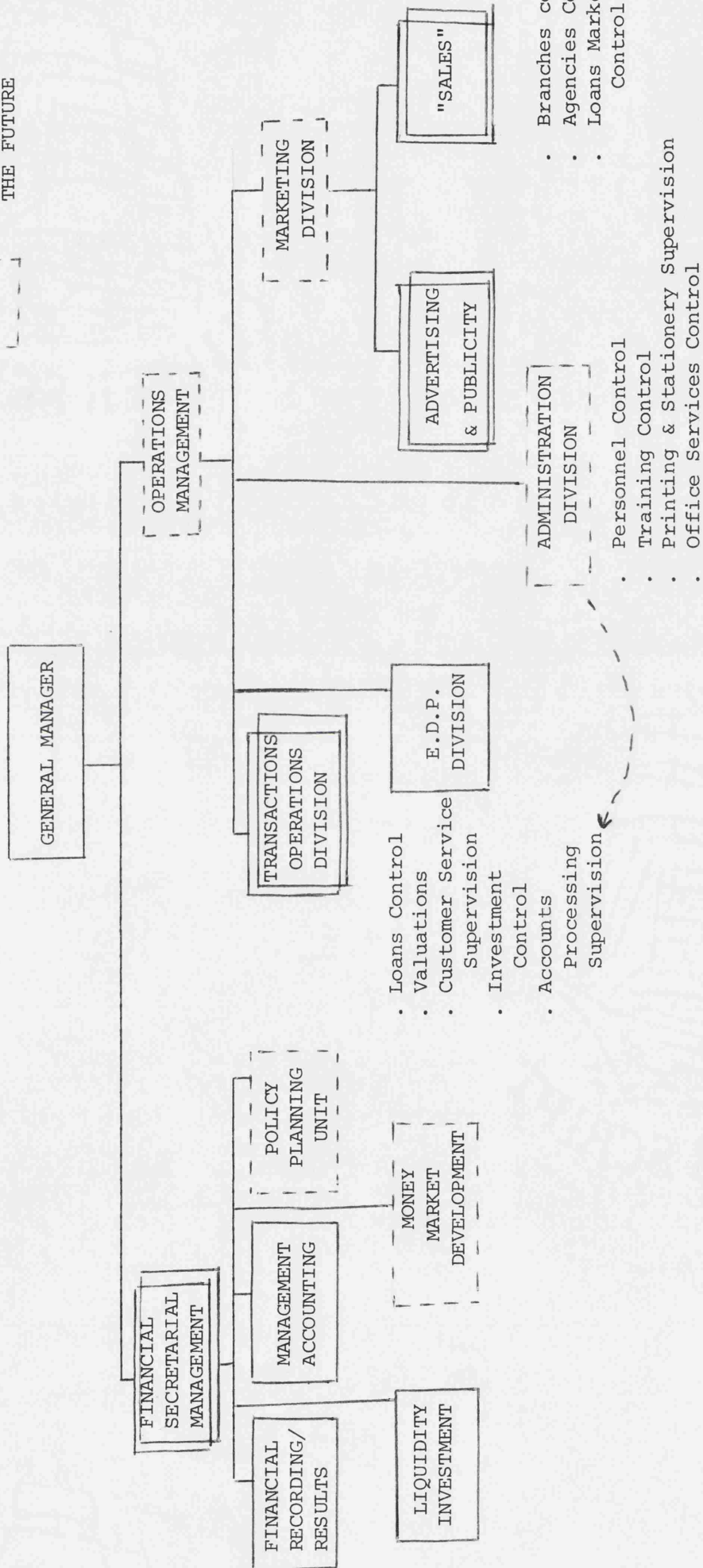
EXECUTIVE  
OFFICES - Typing, clerical, secretarial



Suggested Organization Structure by Dolin - H.B.S.

Appendix 16-4

[ ] = EXISTING  
 [ ] = TO BE FILLED ON IMPLEMENTATION  
 [ ] = TO BE FILLED IN THE FUTURE



MEMORANDUM

TO: GENERAL MANAGER HOME BUILDING SOCIETY

FROM: ROGER C SMITH

DATE: 16 JUNE 1981

SUBJECT: PROGRESS REVIEW & ACTION PROGRAMME

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Over the past few months I have been examining the P.R.A.P. in terms of its use last year, people's view of it as a worthwhile exercise (or not!) and the suitability of the form. A summary of the findings of this examination is shown below under the headings METHOD, FORM AND COMPILATION and EFFECTIVENESS. Recommendations on the future of P.R.A.P. conclude the report.

METHOD

- . Many people expressed the point that the performance standards for many jobs are not clear and this makes rating difficult. It will be necessary to build performance standards into the job descriptions but in the meantime we will have to rely on standards implied in job descriptions; standards spelled out in procedures and the staff handbooks and personal comparative judgments about performance based on experience and observation.
- . The exercise was found to be quite time consuming and thus gives supervisors of large groups a scheduling problem when it is carried out for everybody during the same period.
- . Discussion often covered areas not specified on the form although this is not necessarily a disadvantage if we are looking at filling out the form as secondary to the aim of improving communication within the Society.
- . Assessment of decision making ability for many supervisors/managers was claimed to be difficult because they don't get much opportunity to make decisions of significance. This is a continuing grievance which we are working at overcoming (in such ways as the weekender for example) but should not cloud the fact that a great deal of downward focused decision making is carried out by them continually on a day-to-day operating/supervising basis.

- 2 -

- . There were problems experienced with the non-numbered scales in regard to rating placement and this will need to be considered in a revised form.
- . The point that it is a waste of time if both participants are not honest was often made and I would have to agree on its importance as a factor in getting a useful P.R.A.P. developed.
- . At the lower levels of the Society doubts were expressed about its use because it was claimed, people at that level don't really care about how they are performing or what the future holds. I cannot believe that this is so and if it is then perhaps it is the supervisory feelings and expectations that is being mirrored by people at the lower level.
- . The general feeling was that twice a year review was necessary to ensure consistency and regular follow-up. Also, to avoid the "all-at-once, here it is again dammit" syndrome, it would be better to review individuals at regular intervals from their date of employment. This would mean that supervisors would have a smaller and more regular review task to do and it would never be far away from the daily job. It also has the advantage of keeping the review clearly separated from the salary review period.
- . A number of people had problems with interviewing technique and we may have to engage in training activity geared to improving interviewing skill at every level.
- . The importance of follow-up was a point made by everyone interviewed and was one of the failings expressed about last years exercise. P.R.A.P. has been seen to have not really got off the ground and if it is to retain some semblance of credibility must be re-implemented as soon as possible.

#### FORM AND COMPILATION

- . Many of the forms were left undated and in a continuing programme this would be unacceptable.
- . A number of forms did not have the action area filled in when changes had been suggested - this defeats the major purpose of the exercise.
- . Many forms exhibited evidence of the appraisal fault of leniency bias. If some forms are to be believed the Society has some employees of incredible ability and capacity.
- . Forms were found which had not been signed by the Department/ Division/Section Head.
- . Many read as if only the supervisor had been involved in compilation - I did wonder how often the subordinates comments had been included.



- 3 -

- . Terms like "this officer" or "this employee" were often used and conveyed the sort of authoritarian and formal attitude which we have been trying to modify. I would think that the use of first names would not be out of character with the objectives of the P.R.A.P. - they are used in the everyday job context, why not on the form?
- . On a number of occasions suitability for promotion was acknowledged but no comment made on the position or area recommended. People should have a perception of what promotion is envisaged or the review section comment is vague and relatively useless. In the same vein action suggestions sighted such as "to become more confident", "take more care", "try harder" and "more training courses" are no help at all unless steps are added specifying just how such things are to be achieved.
- . Completed forms left supervisors never to be seen again in many cases and this makes follow up almost impossible. The original proposal on P.R.A.P. contained another form for supervisors to record the results of interviews (the ACTION plan) before passing the forms on to Personnel and Training. These were not used apparently and thus led to the above difficulty. Future use of P.R.A.P. should enable supervisors to keep the forms or a record of them after passing them through Personnel and Training.

#### EFFECTIVENESS

- . The weight of opinion was for the P.R.A.P. and its continued use as in many cases it's last use had led to positive development (training action, clarification of objectives and job responsibilities and improved relationships between people).
- . A great deal of impetus has been lost because of the time that has lapsed since the last use.
- . Use of the P.R.A.P. was less effective than it could have been as the principles of appraisal and interviewing practice were not imparted to participants in a systematic way prior to implementation.

In the light of the examination and the comments made above the future of P.R.A.P. is considered below as a set of recommendations for discussion.

#### RECOMMENDATIONS

1. That the P.R.A.P. be re-introduced in revised form beginning in July or August this year at the latest.



- 4 -

2. That the re-structured forms (shown as drafts attached to this report) be accepted and produced as follows: -
  - (a) Non-supervisory staff. To be prepared on blue paper with those for independent use being run off on ordinary quality paper as cheaply as possible and those used for the final composite reviews to be printed on good quality paper as professionally as possible.
  - (b) Supervisory staff. As for (a) but on green paper.
3. That individual reviews be conducted on a six month basis beginning on the anniversary of the individuals commencement date with the Society. All supervisors/managers/controllers will be given their subordinate list with accompanying commencement dates so that they can plan their year's P.R.A.P. activity. The responsibility for following the plan is also to be retained by this group.
4. That the composite form from each individual review be forwarded to Personnel and Training (via the Division/Department/Section Head) who will check the details on the form, remove the copy of the suggestion and action page and return the form to the supervisor.
5. That line supervisors and Personnel and Training liaise closely on implementing any joint action suggested on the form.
6. That a short training session on appraisal and appraisal techniques be held prior to or shortly after the commencement of the programme. Ideally all staff should participate in this training session which would also provide information on the P.R.A.P. itself.

I feel that acceptance of the above recommendations, which are the outcome of the past two years of experience and discussion related to the P.R.A.P., will provide the Society with a unique and effective tool with which to improve current and future performance. It should tie in nicely with career planning and other personnel activities. No doubt we will modify the programme as use exposes further problems or opportunities but its present format looks eminently suitable for the coming year at least.



ROGER C SMITH

0375/B  
1478/B  
3967/B  
3988/B

School

RS:RW

27 July 1981

To: General Manager, Home Building Society  
From: Roger Smith  
Subject: EXECUTIVE-MIDDLE MANAGEMENT COMMUNICATION

The only area from the list in my letter to you of 22 January 1981 which has not been tackled in detail is that of communication between the executive and middle management (item 4 in the list).

My view is that the weekender, the P.R.A.P. and regular Divisional meetings contribute significantly to improving relationships but perhaps we need to consider other activities that could assist in reducing the continuing problems in this area.

I have given some thought to the nature of such activities and come up with the following list which may serve as a starting point for discussion.

- o Invite a middle manager to executive meeting every so often to report on his/her area.
- o Open forum between executive and managers 3-4 times per year - no agenda.
- o Form policy/planning unit to liaise between executive and managers and provide for future forecasting/planning.
- o Seminars to be presented by managers on particular topics of their choosing.
- o Working lunches every so often between executive and 2-3 managers.
- o Introduce an ombudsman system to deal with grievances.
- o Introduce a suggestion scheme.
- o Form a small management committee (rotating membership) to provide focus for systematic analysis of procedures, policy, operations etc, for communication to executive.

2.

- o Monthly news letter to management from General Manager.
- o Series of seminars on communication (using presentations, discussion, films).

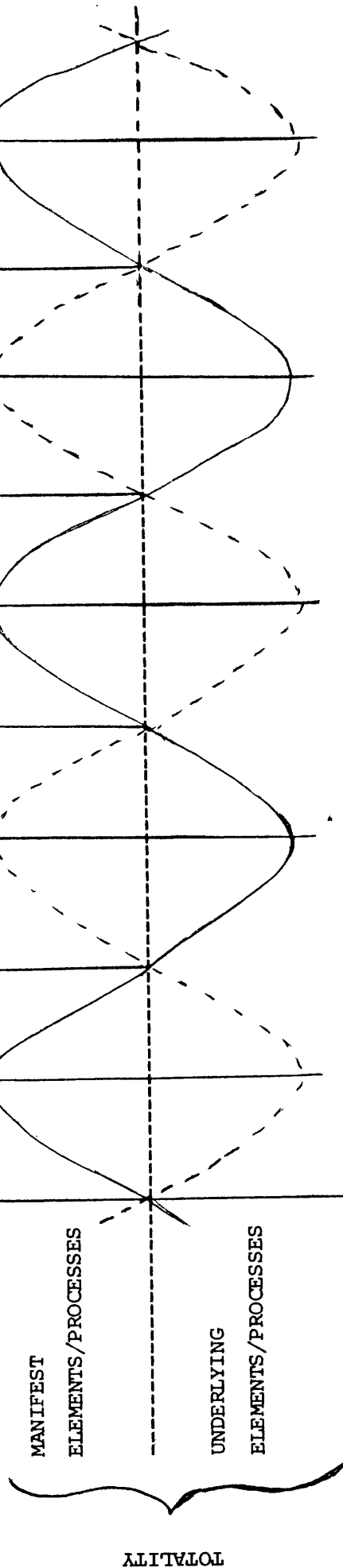
This is certainly not an exhaustive list and I realise that each item has arguments against as well as for. However, it could be worth spending some time on adding to the list and examining the total result in order to agree on one or two activities which we all feel would make a positive contribution to H.B.S. operations if implemented.

Roger C Smith

\_\_\_\_\_ dominant system  
 ----- dominated system

# THE BASIC

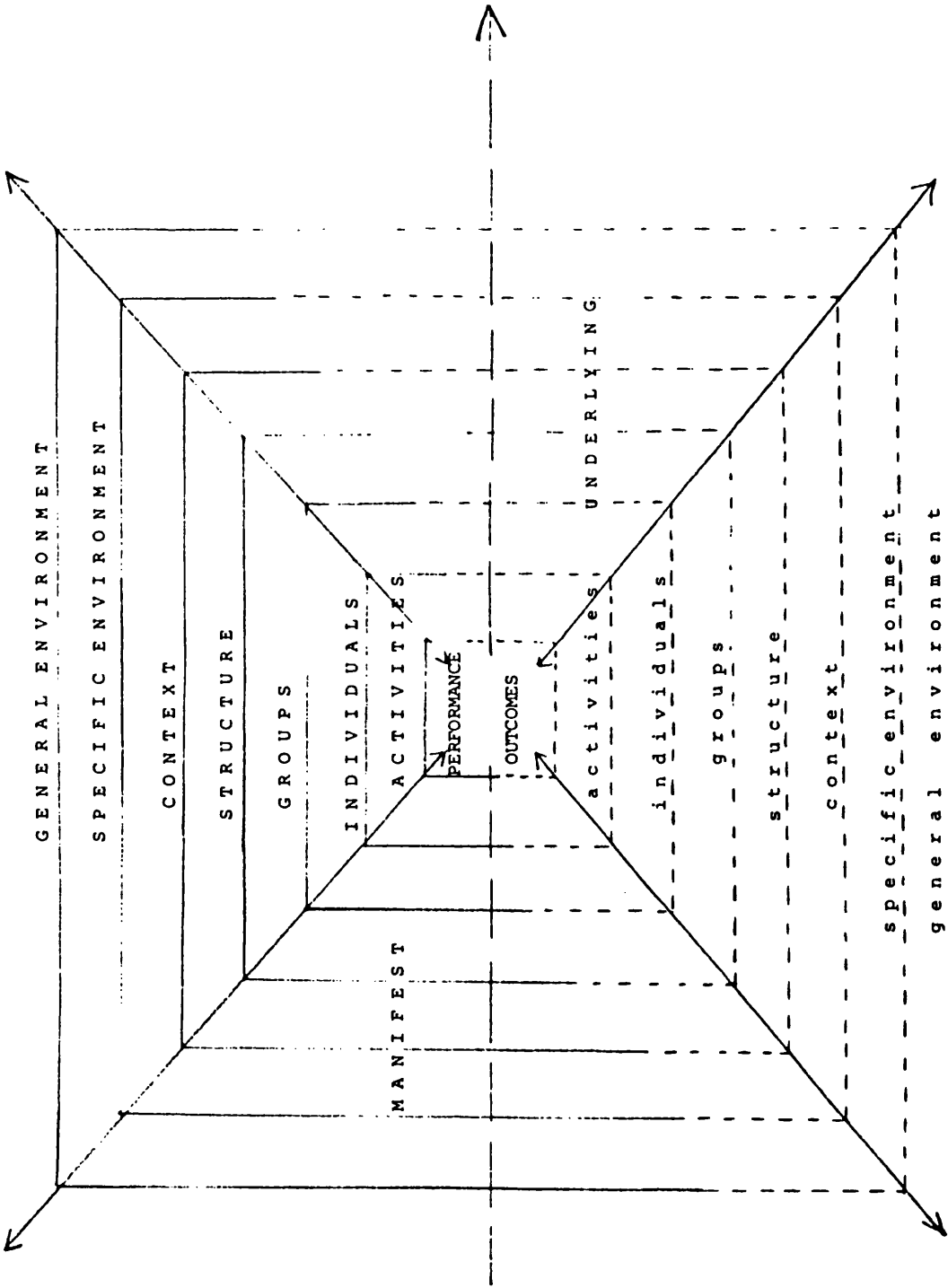
## CONTRADICTION



ENTERPRISE MOVING THROUGH TIME  
 (ILLUSTRATING SOCIAL CONSTRUCTION AND PRAXIS)

- X POINTS - DYNAMIC BALANCE ACHIEVED
- Y POINTS - SYSTEMS OUT OF BALANCE: PROBLEM AREA

## THE PRINCIPLES OF DIALECTICAL ANALYSIS APPLIED TO ENTERPRISE



A MAPPING MODEL FOR ANALYTICAL USE

DETAIL OF CONTENT OF MAJOR ELEMENTS IN MODEL

General Environment: The scenario in terms of politics, economics, culture, philosophy, law and technology.

Specific Environment: 'Markets', competition, supply (finance, material, people), Unions, Associations, Pressure groups

Context: Origin and history, ownership and control, size, goals/objectives, specific technology

Structure: Formal differentiation and layering (including roles and concentration of authority), action routes, communication channels, influence centres, interactive task networks, career channels.

Groups/Individuals: Norms, beliefs, attitudes, values, orientation, compliance, identity, self-image, leadership, motivation, status.

Activities:

Functional/Operational - methods and procedures for line and staff resource allocation and workflow, maintenance of same.

Management - decisions, control, boundary management, goal achievement, system maintenance (the integrative activities)

Employee - informal/social, union

Performance / Outcomes: 'Market standing', profitability, productivity, morale, adaptability, society acceptance, safety and health, quality, climate, absenteeism and tardiness, turnover, grievances, stoppages, satisfaction.

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